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EDITOR: LILIANA BRISBY

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Note of the month

THE SOVIET BUDGET FOR 1980 AND DEFENCE SPENDING

THE Soviet budget for 1980 was presented to the Supreme Soviet of the USSR on 28 November 1979, and enacted as law two days later. The debates, as perfunctory as usual, effected only trivial changes. V. F. Garbuzov, the Minister of Finances, remains in charge for the eighteenth successive year. In short, on the surface nothing appeared either to have changed or to be changing. But this apparent calm is deceptive, for changes are surely in prospect.

Reported totals largely confirm the impression of immobility. Total spending is to rise by 15·6 billion roubles—which about equals the average annual increase over the past five years—to 284·5 billions. The three main expenditure items—Finance of National Economy (149·4 billions), Social and Cultural Measures (97·2 billions), and Defence (17·1 billions)—maintain their relative positions, the first two continuing to rise, the last continuing to fall. Spending on Science (included in Social and Cultural Measures) goes up from 19·9 to 21·3 billions. It is likely that some expenditure for military purposes is included within Finance of National Economy, and perhaps in other clauses, and the encroachments may well have expanded under Brezhnev by comparison with the less secretive Khrushchev period.[1]

Owing to the very limited information provided in published versions of the Soviet budget and to our imperfect understanding of its mechanisms, analysis by outsiders that is restricted to a single year or to sub-totals considered in isolation from one another cannot yield reliable deductions; yet if the budget is examined as a whole, and especially over a period of years, certain regularities do emerge. In particular—and not surprisingly—there are marked traces of a cycle that is related to the timetable of Soviet long-term plans. The most general regularity is that (neglecting long-term trends) Finance of National Economy tends to reach a peak near the beginning and end of five-year plans, while Defence tends to reach a peak near their mid-points.[2] Thus, very roughly, spending on the economy varies inversely with spending on the military. This relationship has, nevertheless, become less visible; reported totals of defence spending now, indeed, vary so little that one might suspect an intention of striving for a Guinness Book of Records title for staying motionless. Too small for the defence establishment the USSR is clearly maintaining, unitemized, and even undifferentiated as between forecast and actual spending, the overt Defence total is now suffering from a chronic credibility gap. Meanwhile, total budget expenditure has risen and, therefore, its share purportedly devoted to Defence has declined. Since 1968 this decline has been uninterrupted. The previous longest uninterrupted decline in this ratio lasted only

[1] This is investigated in the present writer's 'Patterns of Fluctuation and Visibility of Soviet Post-War Defence Expenditure', in F.-L. Altmann (ed.), *Yearbook of East European Economics*, Vol. 7 (Munich: Osteuropa-Institut, 1977).

[2] This regularity was first noticed in the present writer's Note on the Soviet budget for 1971 in *The World Today*, February 1971.

six years (*from* 1955 *to* 1961) and was followed by a jump (from 11·9 per cent of total spending to 16·7 per cent) in the 1962 forecast. Is such a sequence likely to be repeated in actual expenditure in 1980, or in the forecasts for 1981 or the immediately following years?

Naturally, only an uncertain answer can be given, but the trend of sums spent on the economy discloses an interesting singularity. In all previous post-war five-year plans[3] the percentage share of budget spending on the economy was forecast to rise *in the final year*; and the last four times, the amount of this rise was almost the same (about 0·3 per cent). 1980 is also the final year of a Five-Year Plan (the Tenth), yet this share is now forecast to *fall* by 1·2 per cent. This is surprising not merely because it departs from precedent, but because the USSR is encountering especially serious economic difficulties: its rate of growth has slowed down to a few per cent annually, the 1979 harvest was poor owing to bad weather conditions, prospects for oil production look bleak, symptoms of suppressed inflation (evidenced in the financial accounts by larger sums raised by Turnover Tax, and by mounting savings bank deposits) are acute. Yet budget spending on the economy is to rise in 1980 by only 3·5 per cent. Certain concrete reasons, notably that wages in services branches were raised in 1979, hardly explain the smaller *share* to be devoted to the economy in 1980; neither is the expected rise (4·1 per cent) in *non-budget* spending in this department particularly marked. It seems therefore at least possible that a margin is being retained for adding to Defence already in 1980.

The poor performance of the economy in 1979 is reflected also in an expected fulfilment of the forecast total spending by only 99 per cent (as compared with, for example, 101·1 per cent in 1978), although revenues held up rather better with an expected fulfilment of 100·2 per cent. It is rather uncommon for the forecast level of total expenditure not to be reached: this has not occurred since 1972, and previous to that, since 1959–61. What exactly happened is unclear. The Minister of Finances avoided providing any clue to whether spending on the economy was less or more than planned; and experience suggests that when total expenditure falls short, under- or overspending on the economy are equally possible. However, especially vocal references this year to 'pulverization' of investments (a perennial complaint in some degree) hints at overspending, which would further reduce the increase forecast for 1980. On the other hand, extra latitude is being provided, in the form of the gap between total forecast spending and the combined total of the three main expenditure items: 5·6 per cent of total spending five years ago, this gap rises in 1980 to 7·3 per cent. It is normal for extra latitude to be provided in the final year of a five-year plan, but this provision is unusually generous. Most probably, Finance of National Economy and/or Defence will be the chief eventual beneficiaries; which brings us, by another route, to approximately the conclusion reached at the end of the previous paragraph. It must, however, be noted that in accordance with current practice there would be no disclosure of any overspending of the Defence forecast.

[3] In this Note, the fact that the Sixth Five-Year Plan was terminated prematurely and succeeded by a Seven-Year Plan is ignored. There are adequate grounds for adopting a standardized five-yearly division.

Looking ahead to 1981, we may take as a point of reference that in 1980 the shares of Defence and of Finance of National Economy are scheduled to fall, but that of Social and Cultural Measures to rise (the latter, mainly owing to allocation of larger sums for social security). This combination of directions of movement of the three main items has never happened before since 1945 in the transition to the final year of a five-year plan. It has occurred in other years a total of five times, and after two of these the percentage share of Defence rose in the following year. Twice the probability to be expected on pure chance, this suggests a 40 per cent likelihood of a rise in the share of Defence in 1981; given the long interval since the last rise of that nature, the jump would probably be substantial. The chances *against* such a development are enhanced by the fact that 1981 will be the opening year of the Eleventh Five-Year Plan, and the authorities can be expected to do their best to ensure that it gets off to a good start, which is likely to require holding down defence expenditure—both ostensibly and in reality. On balance, it is likely that the priority will again be awarded to economic development in 1981 unless, of course, there is a sudden worsening in the international climate as Moscow perceives it (and certainly the situation in Iran must give cause for concern). However, if the Tenth Five-Year Plan falls badly short of its targets, the Soviet authorities could be tempted to put forward as an excuse that the USSR had been obliged to spend more on defence to match the swelling arms budgets of aggressive 'imperialism', which would be the signal to declare at long last a rise in the disclosed total of defence spending. That would only mean bringing forward by a year or two the announcement that will most probably be made in 1982 or 1983, by which time the Eleventh Five-Year Plan will have been launched while its fulfilment will not yet be falling due.

RAYMOND HUTCHINGS

Is Nato relevant to the 1980s?

SIR JOHN KILLICK

ASKED to define the problems of the next decade, any thinking member of a 'Western' industrialized society would probably list socio-economic and socio-political questions like housing, urban living, education, health and welfare, traffic in drugs, law and order, terrorism, unemployment, recession, inflation and industrial relations; and in the international field, the energy crisis, the North-South dialogue and, conceivably, other raw materials aspects of the world environment. It is by no means self-evident that European security in the traditional sense would feature high on this list, if at all.

Yet, as Nato enters its fourth decade, it is worth considering its relevance to the agenda for the 1980s. It is a truism that Nato has become the victim of its own success. While the Alliance is perhaps taken for granted and accepted as necessary for the foreseeable future, defence spending and military preparedness are seen at best as necessary evils, militating against the allocation of resources to the solution of our other difficulties and in no way making any positive contribution to dealing with them.

The familiar phrases fall easily from the lips of political leaders. In face of the 'Soviet threat' we must not 'lower our guard'. The Alliance stands for 'détente and defence' and we must 'negotiate from strength'. We must strive for 'undiminished security at a lower level of armaments and armed forces'. These propositions are all entirely sound and valid, but what do they mean in practice for those concerned with the day-to-day conduct of affairs in the Alliance?

One naturally starts with the military equation. Here the 'Soviet threat' is perhaps best used as a Staff College term of art, related solely to the observable and quantifiable facts of the Soviet military build-up, which are common knowledge. The essentially speculative and unquantifiable problem of assessing Soviet intentions is another matter. Soviet military writings are not of much assistance. They throw light on how a war might be fought—not on whether the Soviet leadership intends to embark on deliberate aggression. The chances of a military takeover in the Soviet Union are very small, and it should in any case not be assumed that the Soviet military leadership would go in for high-risk policies. It is true that a new political leadership looms on the horizon. It is no less unpredictable—probably more so—than in the past. The possibility of deliberate aggression, whatever present intentions may be, cannot therefore be ruled out, given the military capability which the new leadership will inherit. But, in Central Europe at least, I find it extremely difficult to envisage any credible or rational political scenario or objective for such a course of action. The flanks may be a different matter, but even there, provided the cohesion of the Alliance holds and there is no question

The author retired last September from his post as Ambassador and UK Permanent Representative to Nato, which he held since 1975. He was Ambassador to the Soviet Union from 1971 to 1973.

of 'decoupling' (whose avoidance is no less vital in this context than in the field of nuclear deterrence), the risk of escalation to general war must surely remain the prime factor governing Soviet decision-making. At all events, in addition to political resolution, the maintenance of an adequate perceived Alliance military capability and strategy remains the sine qua non of deterrence of aggression. I believe that deterrence still holds, and greatly regret the kind of self-doubt which is being expressed on this score, for example in the debate on the ratification of SALT II. We should never forget that deterrence is not a matter of convincing Moscow 100 per cent that, if attacked, we will fight, ultimately with all the weapons at our disposal, but of leaving Moscow as near to 100 per cent as possible uncertain that we will not.

Soviet vulnerability and its implications

In any case, deliberate aggression is by no means all we have to deter. By common consent, the much more probable threat is of the implied or explicit use of military power for political purposes. Mr Brezhnev has said 'The Soviet Union does not need war', and indeed it would undoubtedly prefer to attain its objectives without it. It may well be that those objectives do not at present envisage the physical occupation or control of further territory in Europe. I suggest it is not excessively charitable to assume that they arise from a feeling of vulnerability, but not to Western military might or aggressive intentions. Marxism-Leninism, as practised in the Soviet Union and imposed, so far as possible, throughout the Warsaw Pact and Comecon, is a failure. A failure in economic and agricultural terms, in management and productivity. A failure in ideological terms. Furthermore, the problems looming for the Soviet Union in the 1980s are daunting and liable to demonstrate more sharply than ever the inability of the system to cope. They are well enough known, and include demographic trends which portend both internal political and labour force difficulties; technological backwardness; extraction problems in regard to the exploitation of raw materials, particularly oil; political and economic problems throughout Comecon which reflect the underlying instability of what the Chinese would call Soviet hegemony throughout Eastern Europe. It is worth noting, incidentally, that where individual East European Governments have done better, politically or economically, than the Soviet Union, this has been in areas where Soviet theses of Marxism-Leninism have been modified or discarded.

In this situation, it is only Soviet power that continues to prevail, and the sole decisive manifestation of that power is military. Thus, while in Western society political and economic difficulties have important and adverse effects on military spending, to the leadership in Moscow the exact opposite must appear to be true. That is why the Soviet military effort has remorselessly continued at 11 to 13 per cent of GNP, increasing by 5 per cent year on year, despite the 'era of détente'. It is rather because of, and not in spite of, political and economic failure that the military effort remains necessary, if the destabilizing consequences of failure are to be contained. And they are contained because every East European leadership, not to mention the peoples of the Soviet Union itself, know, from past experiences

and without the need for explicit threats, what would happen to them if they sought radical change.

The sense of vulnerability of the system is further exacerbated when, on the very borders of Eastern Europe, there exist states with different political and economic systems with which, in these days of increasing flow of information and knowledge, comparisons can be made. There can be no doubt which the peoples of Eastern Europe would choose, if they had the choice, despite the manifestations of the 'crisis of capitalism' for which the propagandists in Moscow are always on the lookout. The Soviet leadership must consequently be concerned to mitigate the effects of this constant comparison. In the ultimate this can only logically involve a desire to achieve the establishment of Marxist-Leninist regimes everywhere, owing allegiance to Moscow as the guiding centre. Such an objective is obviously wildly unrealistic in any foreseeable circumstances, and no student of Soviet affairs would believe that any scenario or master-plan for its achievement exists. But the next best thing—indeed an essential and urgent requirement if a 'crisis of Communism' is to be avoided—must be to work for a Western Europe whose military, economic and political strength and potential are weakened to the greatest possible extent. A Europe whose bonds with the United States are loosened and undermined, whose own unity and cohesion are impaired, whose freedom of choice, collective or otherwise, is circumscribed and inhibited by sensitivity to Soviet interests and policies and ultimately intimidated by the perception of Soviet military strength.

This year's 'Strategic Survey' of the IISS spoke of 'the Soviet Union's traditional tendency to define her security in a way that often implies insecurity for others', adding that 'Perhaps her intentions were defensive, rather than aggressive or expansionist, but the way in which she pursued them often constituted a threat to her neighbours and to those seeking a more stable international order'.[1] This seems to me a very considerable understatement. I eschew words like 'Finlandization', although they have a certain validity. One has only to follow the course of relations between Norway and the Soviet Union on such issues as fisheries and the demarcation of the Continental Shelf to see the point. What could be a cruder illustration than the deliberately-timed firing of rockets into the Barents Sea with the obvious purpose of intimidating the other side in a negotiation? Indeed, I fear we may still have further unpleasant experiences in store with the use of the new Soviet maritime capability in relation to maritime issues like fisheries and navigation.

We have only seen the attempted beginnings of this process. If it is expanded and extended, it will affect our freedom of decision-making in regard to the international, and conceivably even the domestic, issues on our agenda for the 1980s. Even if it reflects a kind of perverted Soviet view of 'deterrence', a sort of defensive reaction to perceived vulnerability, a search for security on the basis that attack is the best form of defence, politically no less than militarily; and even if this helps us to understand Soviet motives, the process cannot by its very definition be acceptable to us since it ultimately involves our survival in terms of the protection

[1] International Institute for Strategic Studies, *Strategic Survey 1978* (London: IISS, 1979).

of our legitimate interests as we wish to remain free to define them. It is not a matter of 'Better Red than dead' or the reverse, but of ensuring that we never have to make such a stark choice. It is, above all, a matter of avoiding situations which involve the risk of war by miscalculation.

Western objectives

The only defence against this aspect of the 'threat' must be to stand firm politically and to continue to do what we judge best and right—to refuse to be dictated to in terms of what we may not do or even what we must, against our better judgement, do. But the lesson of the 1930s is surely that political firmness will prove an empty bluff or a dangerous invitation to miscalculate unless it is backed by adequate perceived military power. Moscow will continue to pitch its policies and behaviour at the limit of what its calculation of the 'correlation of forces' will prudently bear. In that correlation, the West has the advantage politically, economically, technologically and even ideologically; we must not allow the military element in the equation to become the decisive factor in Soviet favour. Nato is the only vehicle for maintaining the necessary safeguard in military terms as the foundation on which the equally necessary lines of political action can be harmonized to the greatest possible extent—amongst the Europeans themselves, and between them and the Transatlantic partners.

It would be idle to deny that in the present world situation the major threats of instability present themselves outside the area of the North Atlantic Treaty. They are not necessarily instigated by the Soviet Union and its proxies, but are certainly being exploited by them opportunistically, if not always with success. This is not a zero sum game, however, and even where equal and opposite Soviet gain cannot be identified, there is undoubtedly net loss to legitimate Western interests. The Alliance recognized in the Ottawa Declaration that developments outside the Alliance area could have implications for the interests of the Allies. But the fact must be faced that political consensus does not now exist in favour of the expansion of the responsibilities of the Alliance as such. Even if it did, it is surely unrealistic to envisage the extension of the Treaty boundaries to cover other countries which do not wish to come formally under the Alliance umbrella.

These extra-Alliance situations must therefore remain the responsibility of those member countries, acting individually or in consortium, who are willing and able to take action—political, economic or even military—if, indeed, there are circumstances in the fragmented and confused outer world with which we are now confronted in which military action seems useful or practicable. The Allies concerned will not be acting under a Nato label, but Nato must continue to provide the forum for the monitoring and exchange of information about extra-Alliance developments and their implications, for the explanation by those directly involved of their policies and intentions, and thus ultimately for the generation of broad Alliance understanding and support. Failure in this can lead to divisions and disputes, as happened in 1973, and to the consequent undermining of the cohesion which is vital to the safe and successful conduct of the East-West relationship in the Treaty area itself.

In short, my submission is that Nato is not just *necessary* for the 1980s, as a kind of backdrop against which other problems are grappled with, but directly *relevant* to the handling of them. These other problems have not superseded or become a substitute for the basic issue of European security; they are additional to it and in many ways intertwined with it. The proposition that 'détente must be indivisible' is not just an empty phrase. Such progress as has been made in détente, let alone further progress along the road, will be jeopardized if Soviet behaviour in the outside world continues to be inconsistent with co-operation in the Transatlantic area.

Détente and security

As regards the détente process itself, despite current disenchantment it must certainly continue to be the Western objective to try for an improved relationship with the East in which underlying political problems can be solved, as the Harmel Report defined it in 1967. It is also the professed Soviet objective to extend détente, and there is an identifiable Soviet interest in economic and technological co-operation. The East talks also of 'expanding détente in the military field', but it is far from clear whether Soviet objectives in this respect match those of the West. Prospects for significant reductions of armaments and armed forces do not look very promising, and perhaps the best we can hope for is the maintenance of a degree of stability through the medium of arms control. We must not forget that the main stated objective of Mr Brezhnev's *Westpolitik* was 'to draw a line under the results of the Second World War', and in most respects he has achieved this. While nobody should minimize what has been attained in other respects (e.g. Berlin, the German Eastern Treaties) through détente in the 1970s, it would be illusory to extrapolate from this and assume that the agenda for the 1980s offers similar prospects of progress on matters of concern to the West. In any case, technological change, as has been cogently pointed out in Adelphi Papers in 1978,[2] has put the problem of arms control and disarmament into very different perspective for the years ahead, because of the difficulty of verification and the multi-mission roles of new weapons systems.

The role of Nato in the field of arms control and disarmament is nevertheless a growing one. It has never been clearer that security is a single coin of which one side is defence posture and the other arms control/disarmament. What is done, or left undone, on one side may have important effects, for good or ill, on the other. The two sides must be looked at as an integrated whole if stability is to be maintained. Nato is the only forum in which the military as well as the political aspects and implications of developments can be properly considered together. This seems bound to be a 'growth industry' as a development of the existing role of the Alliance in harmonizing policy on such things as CSCE, MBFR and, increasingly, SALT, as and when SALT III develops.

So détente itself must be part of the 1980s' agenda, and Nato's role in it could not be more directly relevant. But historical experience tends to show that, during

[2] Christoph Bertram (ed.), *The Future of Arms Control, Part I: Beyond Salt II*, Adelphi Paper No. 141, and Christoph Bertram, *Part II: Arms Control and Technological Change*, AP No. 146 (London: IISS, 1978).

periods of leadership change in the Soviet Union, there is usually a period of some years' consolidation, normally collegial in nature, before a new leader or leaders feel able to embark on meaningful new initiatives in foreign policy. The feeling of vulnerability is enhanced during such periods, and the support of the Soviet military-industrial complex is assured by the continuing and even increased provision of resources to the Soviet armed forces. This may well again be the case, and it would mean that serious negotiation and progress would be delayed for several years. Yet the Soviet military build-up will continue meanwhile, so that when negotiation is resumed from the Soviet side, it will be from the platform of an even greater military capability than that which confronts us today. In the Soviet calculation of the 'correlation of forces' this will weigh heavily on the prospects for fruitful progress; a Soviet perception that the West has fallen behind in the preservation of the military balance will only encourage the belief in Moscow that the accretion and exploitation of military power is the course that pays; on the other hand, visible evidence that the West is capable of holding the position will contribute, probably decisively, to the painful and lengthy process of convincing the Soviet leadership that true co-operation and constructive relations are the only sensible course to follow, as a matter of Soviet national interest.

Defence spending

On the face of it, this may seem to militate against arms control and disarmament. That is why some people suggest the *reductio ad absurdum*, particularly with reference to the modernization of the Nato inventory of theatre nuclear weapons, that 'it is ridiculous to introduce new weapons systems in order to take them away'. In fact, that is more or less what must be done if there is to be any incentive for Moscow to negotiate realistically—confronted with the evidence that the Alliance is capable of keeping pace with the Soviet effort.

Very well, others say, but will the cost not ruin our economies and exacerbate our social problems? Certainly, it will be an expensive business, and increasingly so. So is the payment of insurance premiums! But it is not a matter of matching the Soviet Union in percentage of GNP devoted to defence. The Allies need only do fractionally more than they are doing already—albeit probably better than 3 per cent increases in defence budgets, year on year. Even so, practically all of them, save the United States, which is a global power, spend well below 5 per cent of GNP. It is doubtful in the extreme whether savings on defence spending contribute to the solution of domestic problems; that was certainly not the experience of the United States after the ending of the Vietnam war. Defence spending, in fact, makes a certain contribution to economic health, at least in terms of employment. I have never seen it suggested that Sweden, spending 4 per cent of GNP on defence, is ruining its economy or its social fabric, let alone Yugoslavia, at about [illegible] per cent. The defence efforts of such European neutrals (who know perfectly well that their national independence is crucially dependent not only on what they do themselves, but on the maintenance of a stable overall military balance in Europe) are surely proof of the fact that, whether we like it or not, the standing and influence of the nation-state in Europe or in the world at large remains a

function of its observed power, military no less than economic, political or ideological.

There is perhaps here a final observation which needs to be addressed to Britain. Sitting in Brussels, the headquarters of the EEC as well as Nato, and looking at this sometimes rather too tight little island, one wonders whether it has dawned fully on the British consciousness that the Defence Review of 1974,[a] leaving 95 per cent of our defence effort devoted to Nato, was as significant a historical watershed as our accession to the European Communities. It really provided the final answer to Dean Acheson's assertion that we had lost an Empire but not yet found a role. Our national security is no longer a matter of throwing our weight, in the form of some temporary 'expeditionary force', into the European scales to prevent the emergence of a dominant European power. We now have to live permanently with the challenge of Russia, as a global power, and one which we must assume is here to stay. This challenge can only be met by a permanent European, indeed transatlantic, coalition. In committing forces permanently to the continent of Europe, against centuries of historical tradition, we are not just doing the Germans or the Europeans a favour; not just legalistically fulfilling a Brussels Treaty commitment; but defending ourselves as far to the East as possible. Conversely, *the defence of these islands is no longer a matter of* sole concern to ourselves, since we constitute the Western flank of integrated European defence. Our security is now totally immersed in that of the Alliance in the broadest possible sense—not just as a military matter, but as part of the essential fabric of our policies in East-West relations through the years ahead.

[a] See A.S.B., 'British Defence Review', *The World Today*, April 1975.

Rhodesia: from Lusaka to Lancaster House

MARTYN GREGORY

WHEN the British Prime Minister's personal envoy to Southern Africa returned to London in January 1979, he advised Mr Callaghan against convening a conference on Rhodesia. Mr Cledwyn Hughes reported that 'each side in the war is convinced it can reach its goal, or at least not lose, by continuing to follow its own policies';[1] he rated the chances of success of a conference involving all the participants in the Rhodesian conflict as nil and warned of the almost certain deterioration of the situation in Southern Africa in the wake of such an exercise.

Less than nine months after the Hughes Report, the Lancaster House Conference opened in London on 10 September. For the first time since 1961, the British government, the Salisbury government and the African nationalists sat down at the negotiating table equipped with full decision-making powers. Thus the conference was qualitatively distinguishable from the Geneva Conference of October to December 1976 in which Britain sought merely to mediate between the warring Rhodesian factions. After over three months of negotiation a trilateral agreement emerged covering an independence constitution, a ceasefire and a transition period leading to elections. In order to understand why the Lancaster House Conference took place at all, and to suggest some reasons for its eventual success, it is necessary to look first at what progress each of the three participants had made towards achieving the objectives that each was convinced could be attained by existing policies at the beginning of 1979.

Bishop Muzorewa emerged as the first black Prime Minister of Zimbabwe Rhodesia following the elections in April.[2] Although sweeping what he later claimed to have been a 64·9 per cent poll,[3] Bishop Muzorewa was obliged to form a 'government of national unity' with the less successful parties in the election under an agreement of 30 November 1978 modifying the internal settlement of 3 March 1978. The two most important objectives of the 'government of national unity' were to gain recognition and the lifting of sanctions against the country. Despite Anglo-American, UN, OAU and EEC condemnation of the internal settlement and the April elections, and the fact that only the South African government sent an official delegation to observe the polling, the new Zimbabwe Rhodesian administration hoped that a black prime minister, a black-dominated administration and

[1] *The Guardian*, 18 January 1979.

[2] It is beyond the scope of this article to assess whether these elections were 'free and fair'. For the opposing views of two sets of observers, see Lord Chitnis and Eileen Sudworth, *Free and Fair? The 1979 Rhodesian Election* (London: The Catholic Institute for International Relations, 1979) and Miles Hudson, 'The Rhodesian elections: a basis for the future', *The World Today*, August 1979.

[3] Bishop Muzorewa used this figure in his opening address at the Lancaster House Conference.

The author is a post-graduate research student at Leicester University.

a broadly-based government would lead to at least partial international recognition and further cracks in the sanctions wall.

By the time the Commonwealth Conference convened in Lusaka on 1 August, Bishop Muzorewa's government had achieved none of its main objectives. The new Conservative government in Britain did not fulfil Salisbury's most optimistic expectations and grant immediate recognition to Zimbabwe Rhodesia. Before recognition there could be no prospect of sanctions being lifted, as vain efforts by Republicans in the United States to reverse the Carter administration's commitment to sanctions had demonstrated. Worldwide non-recognition meant that Bishop Muzorewa was becoming ever more dependent upon South Africa's economic and military assistance as the guerrilla war intensified and the Patriotic Front demonstrated an increasing ability to hit urban targets. Heavy reliance upon South Africa also posed a threat to the Bishop's African nationalist credentials, already potentially compromised by his governments' inheritance of the Smith regime's forces. At the 1976 Geneva conference, Bishop Muzorewa had been an outspoken critic of the security forces, now he was in at least nominal control of them. There had been no significant response to the Bishop's call to the Patriotic Front's guerrillas to surrender, and the intensifying war made it increasingly difficult for the new government to tackle even the modest programme of economic and social reform announced at the opening of the Zimbabwe Rhodesian Parliament at the end of June. Having failed to achieve its foreign policy objectives and its major election pledge of ending the war, the domestic and international credibility of the 'government of national unity' was further eroded by the parliamentary boycott of the Rev. Sithole's Zanu party. Sithole claimed that the April polls were rigged and Zanu refused to take up the seats the party had won in the election. Furthermore, one of the Bishop's lieutenants, the veteran nationalist, Mr James Chikerema, abandoned the government to form his own party. One of the few hopeful signs for the Bishop before Lusaka was Mrs Thatcher's statement in Canberra, four weeks before the Commonwealth Conference, that she would not try to reimpose sanctions against Zimbabwe Rhodesia in November, but that recognition 'might take a little longer'.[4]

The Conservative government came into office on 4 May with a commitment to recognize the Zimbabwe Rhodesian government following Lord Boyd's assessment that the April elections were 'free and fair'. Whilst refraining from immediate recognition of the Muzorewa government, Mrs Thatcher signalled her long-term intentions in her Canberra statement. The constraints preventing Britain from recognizing the Bishop and lifting sanctions immediately were predominantly international. The Carter administration remained officially committed to the Anglo-American proposals, the Organization of African Unity continued to voice black Africa's opposition to the Muzorewa government and individual Commonwealth countries made it clear that they would object strongly to a unilateral recognition of Salisbury by Britain. Thus, while the arguments of a small but vociferous minority of right-wing Conservative MPs, the so-called 'Rhodesia lobby', calling for the instant recognition of Bishop Muzorewa, appealed on an emotional

[4] *The Economist*, 7 July 1979.

level to many leading Conservatives, including Mrs Thatcher, the likelihood of this course being pursued was never great. As Mrs Thatcher pointed out in Lusaka, not only would unilateral British recognition of Zimbabwe Rhodesia be potentially most damaging to British interests, it would also be of dubious benefit to Bishop Muzorewa and his government. Isolated British recognition of Zimbabwe Rhodesia, supported only by South Africa, would result in an intensification and further internationalization of the war and provide Salisbury with little in return. Britain, therefore, approached the Commonwealth Conference seeking to secure the broadest possible international support for its policy of recognizing Zimbabwe Rhodesia by November.

The joint leader of the Patriotic Front, Mr Nkomo, told Cledwyn Hughes in January that he believed only a military solution was possible in Rhodesia. He had previously stated that he would be 'in Salisbury by March 1979'. Although Patriotic Front forces made major advances in the first half of 1979, and ensured that by the first anniversary of the internal settlement of 3 March 1978 85 per cent of the country was under martial law, ultimate victory was not an immediate prospect by the time the Commonwealth Conference convened in August. The Patriotic Front's failure to disrupt seriously the April elections undoubtedly provided a psychological boost to the Salisbury government and the counter-insurgency forces. To the Patriotic Front and the 'front-line states' (FLSs) this failure underlined the need for the two wings of the PF, Zapu (Zimbabwe African People's Union) and Zanu (Zimbabwe African National Union), to achieve a greater degree of military and political unity. Following several meetings with the FLSs, at which Zapu and Zanu's respective hosts, Presidents Kaunda and Machel, were prominent, Mr Nkomo and Mr Mugabe signed a unity agreement on 12 May. Thus, although working towards greater unity, or at least 'beginning the process of reducing confusion',[5] as one senior nationalist put it, and continuing to make significant military gains, the Patriotic Front stood short of its most optimistic objectives in August and was subject to growing pressures from the front-line states.

The Commonwealth Conference

In order to achieve its objective of gaining widespread international recognition for Zimbabwe Rhodesia, the British government had to modify its declared policy towards the colony at the Commonwealth Conference. By proclaiming her government's commitment to 'genuine black majority rule in Rhodesia', and independence for the colony on a basis 'acceptable to the international community as a whole', Mrs Thatcher mollified potentially strident critics in her opening address in Lusaka and helped to create an atmosphere conducive to a Commonwealth initiative. Departing significantly from her Canberra statement, Mrs Thatcher conceded that the Zimbabwe Rhodesian Constitution was 'defective in certain respects', accepted as valid criticisms of the power and composition of the white-dominated service commissions and acknowledged the need to involve the Patriotic Front in the search for a solution to the Rhodesian crisis.

Britain required the co-operation of the Presidents of Zambia and Tanzania,

[5] Mr T. G. Silundika, Patriotic Front—Zapu, in an interview with the author.

both prominent members of the Commonwealth and two of the three most important front-line states, in order to emerge from Lusaka with a meaningful agreement.[6] Both presidents were prepared to respond to the British initiative for similar, dual motives. Tanzania and Zambia's grave economic difficulties had been exacerbated during 1979 by, on the one hand, the invasion and continued occupation of Uganda and, on the other, the crippling effects of sanctions and the spreading war in Zimbabwe Rhodesia. However, both countries, and in particular Zambia, had made enormous sacrifices in opposing the Salisbury regime since UDI and would not lightly consider jeopardizing the cause of the Patriotic Front at a time when the war seemed to be moving in the guerrillas' favour. Mrs Thatcher's olive branch offered the prospect of possible economic relief without threatening their anti-colonial posture, although it did involve abandoning certain elements of the Anglo-American plan to which the PF and FLSs had formerly been committed. The Lusaka Agreement 'fully accepted' not only Britain's constitutional responsibility to grant legal independence to Zimbabwe but also that 'free and fair' elections should be 'properly supervised under British authority'. The Anglo-American plan had envisaged UN-supervised elections. Also significant was the decision to invite the participants to a 'constitutional conference'. Under the Anglo-American plan, a cease-fire would have had to be agreed before negotiations concerning the constitution could commence; the Lusaka Agreement reversed this process for very specific reasons. Mrs Thatcher told the Commonwealth leaders involved in drafting the final agreement that it would be impossible to sell a package requiring a London conference to begin with a consideration of how to dismantle the Zimbabwe Rhodesian forces either to the Conservative Party or to Bishop Muzorewa. The British pleaded with their Commonwealth colleagues not to insist upon including a reference to security matters in the final communiqué. Thus the bland final point of the agreement stated that 'it must be a major objective to bring about a cessation of hostilities', and represented an important negotiating triumph for Mrs Thatcher. By concentrating her objections to the Zimbabwe Rhodesian administration upon the Constitution, and gaining agreement that the London conference should be a 'constitutional' one, Mrs Thatcher ensured that Britain would have few problems in persuading Salisbury and Pretoria that the Bishop should attend the conference. The onus was thus placed upon the front-line states to deliver the Patriotic Front. This strategy also opened up the possibility of what Britain's Foreign Secretary, Lord Carrington, was later to term a 'second-class solution' (i.e. a London-Salisbury deal) as an alternative capable of attracting at least partial international support.

The initial omens for the proposed London conference were not promising: the mouth-piece of the white Rhodesians, *The Herald*, described Mrs Thatcher as 'David Owen in drag', Bishop Muzorewa characterized the Lusaka Agreement as 'an insult to the electorate and the government of this country', and the South African Foreign Minister, Mr Pik Botha, announced that he was 'deeply disturbed' by the agreement. Nevertheless, Bishop Muzorewa accepted the invitation

[6] See David Martin and Laurence Marks, 'The man who saved [sic] Rhodesia deal', *The Observer*, 9 December 1979, for an account of behind-the-scenes manœuvres in Lusaka.

to attend the London conference within two days of the end of the Commonwealth Conference following swift British reassurances and clarification to Salisbury and Pretoria.

The Patriotic Front leaders, Joshua Nkomo and Robert Mugabe, expressed grave reservations about the Lusaka Agreement, and the chances of success of a London conference in their acceptance statement of 20 August. The Patriotic Front viewed the Lusaka Agreement as a British manœuvre designed to legitimize the Muzorewa administration and remove the dispute from the international arena by restoring British authority and casting aside OAU and UN resolutions on Rhodesia. It rejected Britain's role in supervising elections on the ground of the Conservative government's apparent preference for the Muzorewa administration. The clearly implied rift between the PF and FLSs on this point was crystallized at what Mr Mugabe has described as a 'forthright' meeting at the Non-Aligned summit in Havana.[7] The FLSs insisted that the PF should not only attend the London conference but also that they should not walk out of it. PF objections that the Lusaka Agreement favoured Bishop Muzorewa, diminished the status accorded to the PF by the OAU, the UN and, in Havana 1979, the Non-Aligned Movement, and represented a retreat from the Anglo-American plan were all rejected by the FLSs.[8] Thus the most reluctant participant agreed to attend the Lancaster House Conference.

The Lancaster House Conference

The British strategy which emerged at Lancaster House revealed that, for the first time, Britain was prepared to assume full colonial powers in Rhodesia, in an attempt to overcome the discrepancy between its legal responsibility towards the colony and its traditional lack of power to influence events within the territory. Paradoxically, however, in order for Britain to deinternationalize the issue of Rhodesia and assert colonial power, it required widespread international support, or at least acquiescence, for its strategy. The Lusaka Agreement laid the basis for this approach; at Lancaster House, Britain sought continued international support at every stage of the negotiations and in particular when a bilateral, London-Salisbury deal looked imminent. The Patriotic Front complained throughout the conference that Lord Carrington was pandering to the international gallery and was not interested in serious negotiation. The PF itself, however, relied heavily upon the front-line states and Commonwealth support in its resistance to Britain's assertion of colonial power and attempt to remove the issue from the international arena. The Lancaster House Agreement represented a compromise between the very different positions of Britain and the Patriotic Front. An examination of some of the critical stages of the conference reveals how each delegation sought to mobilize international support on its own behalf, and demonstrates how international forces, in turn, limited each participant's scope for manœuvre and, indeed, objection.

[7] Mr R. Mugabe, co-leader of the Patriotic Front, President of Zanu, in an interview with the author.

[8] *ibid.*

The first major crisis of the conference occurred over the independence Constitution. After a month of negotiation, both African delegations had moved towards the British draft constitution. The Muzorewa delegation had agreed that the white blocking mechanism should be removed in the new constitution. Pressure from Zimbabwe Rhodesia's overall military commander, Lt-General Peter Walls, supported by Pretoria, ensured that the former Premier Mr Smith's last-ditch stand in defence of white representation was no more than token. The Patriotic Front surprised many by accepting reserved white seats in the proposed Parliament and conceding the British position on the powers of the President of the republic of Zimbabwe; despite favouring an executive president, the PF accepted Britain's constitutional head of state. It also agreed that citizenship of the new Zimbabwe would be automatically conferred upon post-UDI immigrants. Reluctant PF acceptance of the draft constitution was prevented by the provision for land tenure in the proposed Bill of Rights. While the PF argued for a radical restructuring of agriculture on a communal basis, the British constitutional provisions for land, tacitly supported by a Muzorewa delegation which did not produce its own position on this issue, envisaged a modified form of the existing system of white-dominated land ownership. Deadlock was reached with the exclusion of the Patriotic Front from the negotiations following the expiry of Lord Carrington's first 'Yes or No' ultimatum. With Bishop Muzorewa having accepted the constitutional proposals and pressing hard for a bilateral, London-Salisbury agreement, his confidence boosted by South Africa's declaration of support for the British proposals and recent pledge to intervene on his behalf should the PF return to the war and threaten to overthrow him, Britain prepared for the collapse of the talks. Messages were sent to Nigeria and to the FLS meeting in Dar es Salaam seeking support for the British position. The Patriotic Front were in a corner; quite apart from the importance of the land issue in itself, acceptance of a constitution already agreed by Britain and Salisbury would strengthen Bishop Muzorewa's position should the second stage of the talks collapse and lead to a bilateral London-Salisbury agreement. Also at risk was the PF's international standing; all three participants were determined to avoid being seen to be responsible for the collapse of the talks. In this respect Britain looked at least as vulnerable as the Patriotic Front: the Commonwealth Secretary-General, Mr Shridath Ramphal, reminded the British that the Lusaka Agreement required all parties to the conflict to be involved in a settlement and the FLS chairman, Dr Nyerere, accused Britain of creating an artificial crisis.

American intervention in the negotiations produced a formula which allowed the Patriotic Front to return to the conference. Responding to appeals from Mr Ramphal and Dr Nyerere, the Americans informed PF leaders that they were prepared to help finance a multinational fund to assist in the agricultural and economic development of an independent Zimbabwe—effectively a fund to compensate expropriated white farmers.[9] The PF then accepted that there would be no need to return to the issue of the Constitution 'if we are satisfied beyond doubt

[9] David Martin and Colin Legum described American moves to break the deadlock in *The Observer*, 21 July 1979.

about the vital issues of the transitional arrangements'. The first crisis of the conference thus highlighted once again Britain's limited power to exert effective influence without international assistance, and also demonstrated the wide range of international interests at stake in the Rhodesian conflict.

At the crux of the second impasse reached between Britain and the Patriotic Front at the end of November lay two issues: the supervision of the elections and the status of the PF's guerrilla forces during the transition. Once again Bishop Muzorewa had moved swiftly into line with Britain's proposals by accepting the need for fresh elections and, reluctantly, agreeing to relinquish office during the transitional period. With Britain in the process of enacting enabling legislation to recognize an independent Zimbabwe and lift sanctions following a British-supervised transition, the scope for negotiation with the Patriotic Front was greatly reduced. Although initially insistent upon UN-supervised elections and rejecting the idea of a British governor, the PF's hands were effectively tied by Tanzanian and Zambian authorship of the Lusaka Agreement; President Nyerere reiterated FLS support for British-supervised elections during the Lancaster House Conference. Thus the main issue concerning supervision became the role and composition of the Commonwealth monitoring force. In the face of united FLS, Nigerian and Commonwealth pressure, Britain modified its plan for a civilian group to observe the elections and accepted the need for a Commonwealth Force, including British troops, to monitor but not enforce a ceasefire. In another crucial concession, Britain recognized the Patriotic Front's guerrillas on an equal basis to the Salisbury government's army—both forces would come under the authority of the British Governor during the transition. In order to achieve recognition of their forces the Patriotic Front made considerable concessions; the Zimbabwe Rhodesian forces would remain intact during the transition as would the existing police force, judiciary and civil service under the authority of the British Governor. Once the principle of British authority had been conceded by the PF, the deadlock over the remaining points was broken by the personal intervention of President Kaunda. The Kaunda plan marked out the middle ground in the remaining areas of dispute, such as the length of the transition period. The Patriotic Front had been insisting upon a minimum period of six months for the transition and Britain on a maximum of two months; the Kaunda plan proposed a two-month period from the date of a ceasefire being completed—effectively at least three months after the establishment of British authority in the territory. The plan offered Britain an opportunity to avoid the enormous risks involved in a 'second-class solution', and the Patriotic Front a face-saving formula emanating from an ally rather than Britain.

The negotiations over a ceasefire at Lancaster House took place against the background of a significant intensification of the war in Zimbabwe. Massive Zimbabwe Rhodesian raids into Zambia and Mozambique, aimed not only at guerrilla bases but also at vital economic targets in both countries, had resulted in President Kaunda putting his country on 'a war footing'. South Africa's long-standing involvement in the Zimbabwe Rhodesian war effort, costing it an estimated £1m per day in the first half of 1979, increased markedly during the

Lancaster House Conference and culminated in Pretoria's official admission at the beginning of December that its troops were operating on a regular basis inside Zimbabwe Rhodesia.[10] Concerned to establish a political presence inside the country in the event of a ceasefire, thousands of Mr Nkomo's Zipra forces had entered the country during the conference. To reinforce his position Bishop Muzorewa ordered an emergency recruitment campaign aimed at training 25,000 auxiliaries, loyal to himself, by January 1980.

It is against this background of increased militarization and intensified conflict that the prospects for peace in Zimbabwe must be assessed. The Lancaster House agreement provides for the grouping of PF forces at assembly points and the return of Salisbury's troops to barracks. British reassurances that South Africa would withdraw, that the Zimbabwe Rhodesian airforce would be grounded and that the British Governor would create more assembly points for the PF should this prove necessary, clinched the Patriotic Front's acceptance of the ceasefire plan. All parties remain acutely aware, however, of how easily such an agreement might break down on the ground in Zimbabwe; even if the South Africans withdraw completely, the Commonwealth Force will have to monitor the activities of five armies and a heavily armed civilian population.

The raising of the British flag in Salisbury on 12 December 1979 brought to an end the illegal rebellion of 11 November 1965 and symbolized a unique event in Rhodesia's history—the assumption of full colonial authority by Britain over the territory. It is also the first time Britain has assumed colonial responsibility anywhere in the world without the support of imperial, military power. If this bold venture is to avoid the disaster confidently predicted by many pessimists, and successfully bridge the historic gap between Britain's responsibility towards the colony and its lack of power to influence events within Rhodesia, the British Governor, Lord Soames, will require the continued support not only of the Commonwealth Force but also of those many and varied international interests that made the Lusaka and Lancaster House agreements possible.

[10] See *Fireforce Exposed* (London: The Anti-Apartheid Movement, 1979) for details of South African military involvement in Zimbabwe Rhodesia.

Dilemmas of the Iranian revolution

VAHE PETROSSIAN

NEARLY one year after forcing the Shah off his throne the mosque-led revolution of Ayatollah Ruhollah Khomeini has yet to reconcile the driving forces which fuelled the revolt and are now demanding satisfaction. The revolution is still developing and its ultimate destination is not readily apparent. All that is clear is that the clergy are still on top and will continue to be for some time before gradually returning to their traditional role as spiritual leaders. The Shah's destruction of all viable alternative political leadership made it inevitable that both the revolutionary protest and post-revolutionary Iran should be led by the mosque, and the mosque, in turn, by its most activist member, Khomeini.

Ayatollah Khomeini is now presiding over all the disparate groups that played a role in the revolution. To accede to leftist demands he would have to sanction radical economic and political upheavals, to satisfy the intellectuals he would have to usher in many conceptually alien Western democratic principles, and to please the middle classes he would have had to do nothing more than get rid of the person of the Shah. Nearly all these concessions would run counter to the central mandate which Khomeini considers he has received from the majority. This mandate is to improve the lot of the poor and bring back the security of Iranian and Islamic traditions after years of imposition by a Western-oriented king, his opportunistic hangers-on and his vicious secret police.

Khomeini and many others in the mosque hierarchy have added a seemingly insurmountable obstacle to all the complex issues brought out by the revolution. Conservative by training and spiritual by calling, they are committed to the paradox of a 'controlled revolution'. They are revolutionary leaders who abhor the disorders that historically accompany revolutionary movements. By preventing the much feared massacre of possibly thousands of the Shah's supporters in the days immediately after the revolution, Khomeini has had to confer legality on 600 summary trials and executions, many of them non-political, which still continue. The artificial controls on nearly all the uglier aspects of post-revolutionary fervour have resulted in frustrations bursting out in unexpected directions such as the 4 November attack on the US embassy in Tehran and the prolonged crisis over the fate of the American hostages. Had Khomeini allowed the revolution to run its course in February 1979, there would have been no ties with the United States, the Shah's main foreign supporter, and no diplomats to seize in November.

The view of Khomeini as a moderate blend of radicalism and conservatism does not fit his popular image abroad as the 'mad mullah', but his every action since the fall of the Shah's regime has reinforced that impression. His role as a reluctant revolutionary is central to many of the problems now facing Iran. At the same

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time, he is under growing pressure, particularly after the popular outburst occasioned by the US embassy drama, to abandon his moderating religious role and put on a more radical economic and political mantle.

Khomeini and the other religious and secular leaders face all the old problems left over from the Shah's time—such as the economic and financial mess created by the 1973 oil-boom spending spree, the lack of political institutions and the serious cultural distortions of forced westernization—as well as the host of new problems created by revolutionary disruptions and popular expectations. The most immediate question of the post-revolutionary period is how to revive the economy and reduce unemployment. From another direction, the aspirations of autonomy-seeking ethnic groups pose a major challenge to central authority, while the middle classes and bureaucracy want the earliest return to normality. Cutting across all these issues is the ability of the new regime to reach a workable political consensus.

The economy

The struggle to put the economy on its feet is hampered by the loss of management and capital, labour radicalism, bankruptcies, shortages of raw materials and revolutionary confusion. The urgency of the task is dramatized by the more than two million unemployed—25 per cent of the work force.[1] Many of Iran's big industrialists and managers were closely associated with the Shah's rule and escaped abroad when the regime fell. Others unable to escape or less compromised with the Shah faced rebellious workers and committees. Bazargan and his technocratic Ministers were counting on the pre-revolution managers to get the factories working again and even tried to invite back controversial industrialists whose intimate ties to the Shah were public knowledge. There was also a tendency to hang on to many of the prestige projects—such as nuclear power plants and giant steel mills—whose extravagance and wastefulness had contributed to the popular dissatisfaction against the Shah. In an openly revolutionary situation, these efforts were counterproductive and only helped destroy the government's credibility.

Immediately after the revolution, industrial workers followed the general trend by setting up committees which demanded a voice in management. The significant presence of leftist and socialist elements—as well as plain radicals—on the committees so alarmed the authorities, however, that the government became engaged in an indecisive months-long confrontation. Rather than allow the growth of labour control, the authorities seemed prepared to keep the factories inoperative. Only eight months later did Prime Minister Bazargan issue a set of guidelines which seemed to accept workers' committees as a fact of industrial life. After the fall of his government, many committees unilaterally set themselves up as bosses; however, the effect on renewed industrial activity was not immediately clear.

In general, the new authorities have lowered their sights from the era when the Shah dreamed of transforming his country into the world's fifth major power. The new goals are much more realistic and take into account the limited pool of

[1] *The Guardian*, 3 October 1979, refers to the most reliable official estimates of 2·5 million unemployed. The situation is since thought to have improved.

skilled manpower and management, the necessity to preserve oil resources and the importance of not letting industrialization disrupt Iran's mostly traditional society. The legacy of the Shah years will, however, continue to haunt the regime in the form of $5–7 billion in international debts,[2] partially completed nuclear power, petrochemical and other over-ambitious industrial plants; over-commitment to assembly-geared industries; an over-abundant arsenal of sophisticated weaponry; an agriculture crippled through subsidized imports, neglect and urbanization; and money lost through waste, mismanagement, corruption and illegal transfers abroad.

Many of the two or more million unemployed in the cities are former agricultural workers who flocked to the construction sites that sprang up everywhere in the post-1973 boom years. The present industrial goals of the regime would never provide new employment for all of them and the government faces the formidable task of somehow coaxing the former villagers back to their farms. This means reversing a 15-year-old trend that saw a predominantly rural population shift over into a marginally urban one, but there are promising signs of life on Iran's farms. Increases in farm-gate prices for wheat and other grains have resulted in significantly higher output—estimated at between 10 and 30 per cent. The overall annual food import bill is still at a high $2 billion, but there is a determined official effort to start reducing this figure as of mid-1980.[3] Dependence on small and medium farmerholdings is considered the key to reviving agriculture; most of the giant agribusiness projects and plans in the north and south are being abandoned as uneconomical and ill-suited to local conditions.

In tackling these problems, the authorities can feel reassured mainly by the seemingly unlimited revenues provided by oil exports. These are well over $25 billion a year—more than the income under the Shah—despite a one-third drop in export volume. At the last count, in early December, daily revenue was close to $80 million and rising.[4] The regime is anxious to keep as much oil underground as possible and, instead, push for the highest possible prices it can get abroad. From a peak level of 6 million barrels a day (b/d) under the Shah, oil output could well be reduced this year to somewhere around 3 million b/d. Official intentions are to bring production down even lower in the coming years.

Ethnic and minority groups

The main physical challenge to the regime has come from the Kurdish, Arab, Turkoman and Baluchi ethnic groups. The Turkomans in the north and Baluchis in the south-east do not represent a major threat, both because of their small numbers and their lack of cohesion. Their demands for cultural, linguistic and religious recognition are also obscured by the involvement in those areas of supporters of the Shah. This is particularly true of Baluchistan where many former members of the Shah's military and secret police are believed to be hiding.

The threat posed by the Arabs in Khuzistan Province in the south, where most

[2] *Lloyds List*, 24 March 1979.
[3] *Middle East Economic Digest*, 30 November 1979 and 21 September 1979.
[4] *The Wall Street Journal*, 6 December 1979.

of the oilfields are, is also not so worrying for the central authorities, mainly because it is clear to all concerned that loss of the oil fields would be a death blow to Tehran—and would therefore never be tolerated. Heavy-handed suppression of autonomy-seeking Arab groups, however, may well have laid the foundations for future trouble unless the government embarks on a massive programme of regional development and decentralization.

The main danger to the central authorities has come from Kurdistan where guerrilla forces hold the military initiative over government troops and Islamic Revolutionary Guardsmen after months of sporadic but heavy fighting. The Kurdish question poses a dilemma for the regime since the Kurdish guerrillas are heavily leftist-oriented, belong to the minority Sunni Moslems instead of the majority Shias and may help draw Iran into a wider regional dispute. Iraq, for example, is believed to be seriously worried by the prospect of Iran's Kurds gaining autonomy, since the movement may rekindle the passions of its own Kurds. The post-revolutionary increase in tension between Tehran and Baghdad is considered partly the result of Iraqi efforts to pressure Iran away from granting autonomy. The central government's intentions to provide enough autonomy to satisfy most Kurds were never doubted, but a series of circumstances and blunders helped escalate the confrontation into a crisis. Among those blamed are the Revolutionary Guardsmen sent into the area after the revolution to help keep order; their lack of understanding of local ways and undisciplined behaviour created strong resentments. On the Kurdish side, the indications are that radicals were pushing harder than prudence would dictate and there was ominous talk of a Greater Kurdistan grouping the Kurds of Iran, Iraq and Turkey. By the time Iranian troops and Revolutionary Guardsmen moved into Kurdistan in force to crush an alleged rebellion in August, Kurdistan had already presented Tehran with a fait accompli: Kurds were in effect in control of most affairs in the region and the central authorities were reduced to the role of mere observers.

Kurdistan has long been a sensitive region for Tehran and one of the principal arenas for undercover work by the Shah's former secret police, Savak. As in Baluchistan, Savak groups and former members of the royal army are believed to have taken refuge in the Kurdish mountains, and they, too, are considered to have played a provocative role in keeping the government and the Kurds at loggerheads. Another important factor in helping fuel tensions has been the spontaneous alliance between local landlords, and right-wing clergymen and officials frightened by the populist and leftist nature of the Kurdish autonomy movement. This alliance, which at least temporarily apparently enjoyed the approval of Bazargan and Khomeini, sparked off many of the early battles in Kurdistan and helped exacerbate an already sensitive situation.

The fighting in Kurdestan is a tragedy for which both sides would have to share the blame; a realization of this was apparent in November and December when Khomeini publicly abandoned talk of a military solution to the Kurdish dispute. A three-man government peace mission touring the area initially tried to split the autonomy movement and its leadership by trying to arrange a deal with moderate Kurds. This plan failed to work and contacts were later being made with the main

Kurdish leaders—the spiritual leader, Shaikh Ezzeddin Hossain, and the leader of the Kurdish Democratic Party (KDP), Abdorrahman Qassemlou—for a compromise solution.

A problem of a somewhat different kind came to the surface in early December when Turkish-speaking Azerbaijanis—of whom there are an estimated 12–15 million around the country, though most are in the north-western province of the same name—took to the streets in Tabriz and other smaller towns to demand constitutional amendments reducing the powers of the clergy and the central government. The demonstrations, and subsequent clashes with pro-Khomeini forces which resulted in several deaths, followed an attack at the home of the Azerbaijanis' religious leader, Ayatollah Kazem Shariat-Madari, but tension had been building up for months. At fault was the central government's insensitivity to local feelings and its unwillingness to consult Shariat-Madari when making provincial appointments. The Azerbaijanis have been careful to stress their loyalty to Khomeini and both sides were trying to defuse the crisis, but in the long run Azerbaijan, if mishandled, poses a greater threat to Khomeini's efforts at unity than all the other ethnic groups combined.

The middle classes

The growing middle class at the centre of modern Iranian society was least involved in the revolutionary movement and the last to join the push to topple the Shah. It is now the first to be disillusioned. Many have left for exile in Europe and the United States and others in the bureaucracy and the professions are engaged in a passive rejection of the austerity and new way of life they allege is being imposed on them by the religious leaders.

In trying to win the co-operation of the middle classes—particularly those at the upper levels—Khomeini faces one of the central problems plaguing Iranian society. The Ayatollah has to reconcile Iranian and Moslem traditions with the Western values grafted on during the past two centuries. It is the problem illustrated by Bazargan and his Western-educated and oriented Ministers who were trying to salvage as much of pre-revolutionary Iran as possible. Upper-middle class and rich Iranians casually refer to the bulk of Iranians as '30 million donkeys'. In many other countries, such a comment would illustrate differences of class, but in Iran where the rich and the educated have long been closely identified with the West, the comment points to the conflict of cultures which in one way or another affects most Iranians. Foreign correspondents in Tehran have referred to the irony of radicals with American accents shouting 'Death to the US!' in front of the American embassy gates late last year. The problem goes much deeper in that many urban Iranians have developed a schizophrenic personality—both loving and hating their own traditions while admiring and detesting the Western culture which was imported by the Shah on such a massive scale over the past 10 years.

Khomeini devotes many of his speeches to the subject of Iranians so enamoured of Western ways that they have stopped being Iranians. These observations are entwined with charges that the Shah created a dependent Iran by helping the United States and the West impose economic and cultural domination. More

seriously for his political plans for the country, Khomeini faces varying degrees of distrust and opposition from Iranians who have become either over-Westernized or alienated from their roots.

The mosque emerged as the leader of the anti-Shah revolution because it provided the only safe vehicle of political protest in a country where Savak was thought to be ubiquitous. It played a somewhat similar role in the constitutional struggle of 1906. The Shia Mosque, a minority branch of Islam, is founded on a protest movement against the hierarchy that followed the Prophet Mohammad. Shias theoretically also reject all temporal rulers while they await the return of the Twelfth Imam. In 1906, once the Constitution had been won, the religious leadership withdrew from active politics; the shahs were soon back in business as usual and the Constitution—based on that of Belgium—became a worthless piece of paper.

Now with Shah Mohammad Reza Pahlavi gone, Khomeini has made it plain that he wants the Constitution so firmly rooted in age-old traditions—perforce mostly religious—that neither the Shah nor anyone like him can ever again rise to a position of power. The Ayatollah himself is to be the ultimate arbiter of the Constitution and, thereafter, a council of clergymen and Moslem laymen. He considers purely lay leaders, like Mohammad Mossadegh who became Prime Minister from 1951 to 1953 and briefly ousted the Shah, to have failed Iran. This time, the victorious religious leaders are going to make sure it does not happen again.

The political future

Khomeini's obsession with having a foolproof Constitution controlled by the only people who can be trusted, the religious leaders, has led to widespread accusations that he is replacing the Shah's dictatorship with a theocracy. At least some substance has been lent to these charges by the behaviour of some of the more right-wing and hard-line religious leaders who have emerged in positions of power in the past year. Two referendums were held: one, on 1 April, to approve the Islamic Republic and the second, on 2–3 December, to approve the new Constitution. The latter took place in the midst of the crisis started by the US embassy seizure in Tehran; it was pushed through despite objections from secular and moderate political groups, with Khomeini promising future amendments if necessary.

Many of the problems facing Khomeini and Iran were brought to a head by the US embassy takeover. The seizure of hostages has been looked upon as an international crisis centring around the demanded extradition of the Shah by the United States, but for Khomeini it was mainly a domestic crisis, an indirect challenge to his leadership since the revolution. Significantly, the main challenge was to those developments which were ostensibly in the hands of his moderate, Western-orientated Prime Minister, Bazargan.

After the battle of Tehran on 9–12 February, when the revolutionaries took up arms for a final assault on the Shah's troops, Khomeini stayed in the capital for only about a month. Leaving Bazargan in charge of administration, and the

Islamic Revolutionary Council in partial charge of policy-making, the Ayatollah withdrew to the holy city of Qom. As the nation's ultimate spiritual guide, he had no wish to be a politician. This decision to hand over active leadership to politicians and groups who had no direct revolutionary mandate created a dangerous power vacuum in Tehran.

Bazargan himself was in many ways the ideal man for the job of Prime Minister —he was honest and liked by everyone—but his highest virtue, moderation, proved to be a fatal weakness for the head of a revolutionary government. Bazargan's main concern was the earliest possible return to normality. His philosophy was nationalism and his tools were the technocrats ignored or exiled by the Shah and the massive bureaucracy left behind by the old regime. Accorded provisional status, his government's mandate was at the same time limited to short-term goals. Given the circumstances and his self-admitted shortcomings as a revolutionary leader, he no doubt performed an admirable job; the mistakes may have been mostly a matter of form, but they were critical.

Among the factors which helped discredit him almost from the start were the announcements that utility bills left over from the winter of strikes and go-slows would have to be paid, and that US technicians, including military advisers, would be re-invited to their old jobs. For Iranians who had gone through a winter of hardship without heating-oil and often without electricity, the order to pay the utility bills was galling. For those who knew of the US military's and the Central Intelligence Agency's involvement with the Shah, the casual acceptance of their return was treasonable. Bazargan's and his Ministers' apparent obsession with moderation and the West reached a climax when local television screens in late October showed Bazargan and his Foreign Minister, Ebrahim Yazdi, shaking hands in Algiers with the US National Security Adviser, Zbigniew Brzezinski, the Shah's strongest supporter within the Carter administration.

With Khomeini in Qom making religious pronouncements ignored by many people and Bazargan in Tehran behaving as though there had been no revolution, the stage was set for the growth of independent and radical power centres everywhere. Khomeini's frequent attempts to push Bazargan into more revolutionary action only looked like meddling and were occasions for further confusion. This strange arrangement of two parallel leaderships working at cross-purposes could obviously not last long.

In a way the legacy of bitterness left by the Shah years and the lack of credible leadership are the fundamental problems of the post-revolutionary era. Khomeini is the only figure with the authority to keep Iran united until a new political formula emerges. Yet he is essentially a religious leader who has difficulty in communicating with large sections of the secularized population. As long as Khomeini lives he can hold Iran together, but the extent to which he prevents the revolution from eventually disintegrating depends on how much he abandons his religious role and becomes the politician he despises. The signs are that he is moving in this direction. If he completes the process, the price of stability for Iran will be increased political and economic radicalization. The price for the West is certain to be several years of hostility and isolation.

South Africa's defence posture

WILLIAM GUTTERIDGE

DEVELOPMENTS with regard to Zimbabwe Rhodesia and the apparently 'liberalizing' tendencies of the South African Prime Minister, P. W. Botha, and some other members of his government have served to focus attention on what seems to be a shift over the last two or three years in South Africa's defence policy. There has even been the suggestion that in the aftermath of the Muldergate affair the commanders of the armed forces have to all intents and purposes seized power in the fields of foreign policy and defence and are profoundly influencing domestic developments on the basis of a new concept of security. To emphasize the role of military personnel in this way is to underestimate the importance of Mr P. W. Botha's twelve years as Minister of Defence before he became Prime Minister. His experience at the policy-making level in this field is, therefore, exceptionally for a politician, far greater than that of any of the generals who are now supposed to be so influential. The significance of his retention, as Prime Minister, of the defence portfolio with a relatively inexperienced but seemingly shrewd deputy, H. J. Coetsee, should not be missed.

During Mr Botha's period of office as Defence Minister, the defence forces of the Republic of South Africa were rapidly built up. The process, which began significantly after Sharpeville in 1959, greatly accelerated at that stage and especially in the period from 1973 onwards, when the level of defence expenditure rose from 470 million rands to an estimated R1,972 million in 1979–80. Even allowing for inflation, this reflects a real increase in the scale of South Africa's military preparedness which, except for a marginal cut in 1977–8 due to the French cancellation of the order for corvettes and submarines, has been continuous. Moreover, successive Defence White Papers indicate a more or less regular excess of expenditure over the budgeted amounts, and even this may not wholly cover expenditure on stockpiling and the development of the state armaments corporation (ARMSCOR). By 1977–8 defence expenditure amounted to at least 19 per cent of government spending and 5·1 per cent of GNP.

Since 1977, the initial period of military training has been progressively increased to 24 months with a corresponding rise in the number of men under arms at any one time. Including the permanent force, the level is now about 70,000 which could quickly be expanded to over 100,000 men and by a full call-up of the Citizen Force and the para-military commandos to well over 200,000, virtually but not quite all white.

The Army has between 300 and 400 tanks, mostly Centurions, and 1,600 armoured cars plus numerous scout cars, and armoured personnel carriers, with artillery, up to 155 mm calibre, and surface-to-air missiles appropriate to the size

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of the force. The Air Force has some Buccaneer and Canberra bombers and at least 70 Mirage fighters, mostly supplied by Dassault before the French arms ban was announced, which the 1977 White Paper recommended should be considerably augmented by local manufacture, presumably under licence. The Navy includes three Daphne class submarines and three frigates, but it is not clear whether local production is able to make up for the loss first of British sources of supply in the 1960s and recently of French-built ships as a result of the arms embargo.

South Africa claims, with considerable justification, to have reached a high degree of self-sufficiency in the supply of arms for its own forces, with some surpluses actually available for export. The South African Armaments Manufacturing Corporation (ARMSCOR) now co-ordinates the arms industry, operates its own factories and recently has entered the capital market in its own right. Its chairman, Commandant Pieter Marais, has said that, despite the UN Security Council ban, the manufacture of foreign equipment would continue under licence. The Mirage aircraft, Panhard armoured cars and the Impala, an armed version of the Italian Aeromacchi dual trainer, are the systems principally involved and by now the necessary expertise for their production is probably available in South Africa in any case and revocation of the licences would amount only to a saving of payments as royalties.

Defence assessment

The Republic of South Africa is thus the only country in Africa south of the Mediterranean littoral which has a military potential comparable to that of a medium-sized power in Europe or North America. Though Nigeria has in a sense a larger military establishment, its strength lies more in standing manpower than in the sophistication and versatility of its equipment and training.

In one sense at least, geography is very much militarily on the side of South Africa because it is at the tip of a large continent and any attempted invasion would have to be mounted at a considerable distance through ports and airfields with, at present, limited facilities. An expeditionary or invading force mobilized in Black Africa, or from any other quarter, would require the backing of a superpower at sea and in the air to have any real chance of success. Even such a power would then be committed to risky operations 6,000 miles from home. The extent of the risk would, however, depend on the internal situation within South Africa, the Bantu homelands and the adjoining states. The prospect of a major insurrection would probably be a precondition of any attempt from outside at direct military confrontation.

The conventional defence assessment that, because of the distances involved for an invader and the open nature of the South African terrain, and given adequate mobile forces, the Republic will be easy to defend is currently being questioned not least inside the country. It is true that, though it has a long land frontier and a 2,000 mile coastline, much of it, except for the north-east frontier with Mozambique in the vicinity of the Kruger National Park, is relatively easy to patrol and keep under surveillance with the modern radar and other devices which South Africa possesses. Nevertheless, incidents in Namibia, at Windhoek and even as far

south as the neighbourhood of Keetmanshoop have demonstrated the possibility of infiltration by-passing a military presence in Ovamboland and generally along the border with Angola. Judging by the situation in Windhoek and elsewhere, homelands and urban townships, whatever the security arrangements, have a potential as sanctuaries for guerrillas.

Successive Defence White Papers in 1977, 1978 and 1979 have demonstrated that planning is being based on the 'worst case' in which the Republic would be subjected to a violent assault from inside and outside at the same time. Two years ago, Mr P. W. Botha, as Defence Minister, announced the intention to build a new army base at Phalaborwa in the north-eastern Transvaal, 50 km from the Mozambique border, and a new air base at Hoedspruit, 40 km further south on the edge of the Kruger National Park—an indication of the potential threat to the industrial heartland of the Rand which would be posed by an invasion from that direction. At the same time, a new combat training school was proposed for Sishen in the north of Cape Province not far from the Namibian and Botswana borders, an area in which large-scale manœuvres relevant to a scenario involving a potentially hostile Namibia have already taken place.

Seen from the point of view of the government of the Republic, this is normal, prudent contingency planning. It would be very surprising if the possibility of an ultimate defence of the 'laager' of South Africa were not being urgently considered. Similarly, reported purchases of new sophisticated weapon systems involving, for example, advanced 155 mm shells of greatly improved range and accuracy and mobile radar units are easily explicable in terms of a scenario which envisages armoured columns crossing the frontiers to exploit serious unrest in the black townships and in the homelands which would have been infiltrated by guerrillas. It is even argued in some quarters that in such circumstances South Africa might have a use for a nuclear weapon in the shape of a neutron-enhanced radiation-shell. This kind of speculation apart, a Bill was presented to the Parliament in Cape Town in March 1978 facilitating eventual plans for a six-mile deep 'no go' area along the entire frontier by giving the army powers to clear areas of people and buildings.

Perceived weaknesses

In terms of territorial defence as conventionally conceived, the Republic of South Africa certainly means business. Confidence in its ability to handle a violent situation over an indefinite period of years is, however, especially in some of the best informed circles, less than total. The weaknesses are perceived to be the growing burden of defence expenditure; the probable difficulty in renewing and repairing sophisticated equipment, some of which has yet to be imported; fuel supplies, especially diesel oil, even though temporarily secured by stockpiling and, perhaps, surprisingly, the continued morale of white conscripts. Service on the northern Namibian border has not in the long run much more appeal for South Africans than Vietnam had for Americans.

There are also manpower problems of a different nature. To quote the 1979 Defence White Paper, 'although the Permanent Force cadres of the Army, as

measured against approved strengths, are manned to 80 per cent a real shortage exists in the leader element . . . and amongst the ranks of instructors'. Though the operational deployment of Citizen Force Units and Commandos has decreased, there is a shortage of senior officers and NCOs in the former and a declining number of volunteers for some rural commandos. The problem of resignations of experienced aircrew from the SAAF is, according to official sources, a cause for concern and in general the 1977 plan to double the Permanent Force of all three services by 1981 has been proceeding more slowly than expected. In short, the armed forces are not immune from the problems consequent upon trying to run a large country with a substantial population on the basis of limited white manpower.

These factors, along with the geographical and other disadvantages of distant frontiers, have not only caused some influential military opinion to think in terms of the abandonment of Namibia, when the Orange River would be a more easily defensible frontier, but they have also been the source of caution about any long-term or direct commitment in Zimbabwe Rhodesia. The implications for the Republic of a radical African government in power in Salisbury have to be weighed against the debilitating effects of becoming involved in a war in a country where the white population is spread even more thinly than in their own.

The logic of what the 1977 Defence White Paper called a 'total national strategy' for defence is, therefore, clear. At that time General Magnus Malan, Chief of the Defence Force, referred to 'a national reorientation aimed at survival, while at the same time ensuring the continued advancement of the well-being of all South Africans'. Or, as Major-General G. J. J. Boshoff put it in a reference to the Republic's troubled race relations in the aftermath of the Soweto riots, 'We will never be able to withstand modern threats unless all the nations of South Africa strive for solidarity and form a solid communal front against outside attack.'

This is evidently a view to which Mr P. W. Botha, as Prime Minister, subscribes and in a sense coincides with his original reputation as a 'hawk' in defence matters and relatively 'verlig' on racial issues. In any case internal security has taken on a new, if not radically changed, complexion since the Soweto riots of 1976. According to the Minister of Justice and the police, potential subversive organizations have been more thoroughly traced and identified and, at the same time, new and graduated police methods have been introduced aimed at limiting the escalation of violence. This has not, as recent events have shown, eliminated well-organized attacks on police stations in urban areas, nor has it effectively changed basic police attitudes, probably due to poor pay and the low level of education of white recruits. The chance of an internal explosion arising from police harassment or insensitivity towards the black population remains. This is, however, recognized in key government circles, though there has, of course, been no explicit public recognition of the problem. But the definition of security has been broadened and that is at least partly attributable to a belated recognition of the fact that to use the full strength of the security forces to put down a major rising would be self-defeating. For the first time, the view that 'there is no military solution, only a political one' began to be heard fairly widely on Afrikaner lips during 1979. The failure of the Namibian negotiations early in the year increased the sense of isola-

tion and insecurity amongst some informed white South African opinion and correspondingly hostility against external forces, particularly the United States, which seemed to be bent on weakening the position of South Africa. This has stimulated the definition of a policy apparently aimed at neutrality on the basis of sub-continental solidarity, which would in its turn ultimately earn the West's respect.

The 'Fortress' strategy

It is possible to see the emergence of the concept occasionally described as 'Fortress Southern Africa' as simply a reversion to the wishful thinking of Prime Minister John Vorster's forward policy towards other states on the continent some ten years ago. This time, however, it is stimulated by developments in Zimbabwe Rhodesia and Namibia and linked to some attempts to modify the internal socio-political structure of the Republic. In practical terms, the realization that the South African Defence Force (SADF) might have to defend the border with Angola indefinitely at a time of mounting internal tension was clearly critical. More generally, the formulators of South African strategy had recognized at last that a common cause against Soviet Communism as they saw it was not a viable basis on its own for productive co-operation with the West and, indeed, that the West's other interests, notably with Nigeria and other black African states, precluded close political and military links with South Africa. Even the Republic's admittedly valuable mineral resources were no guarantee of Western support. If a white-ruled South Africa was, as it seemed, not defensible, and ultimately expendable, by the West then the only solution was regional solidarity.

A speech made by Pik Botha, the Foreign Minister, in Zurich on 7 March talked of 'a subcontinental solidarity' and the 1979 White Paper on Defence and Armaments Supply and, in particular, the Prime Minister's preface to it, refers to 'imperialism and expansion' by major powers and to the region as 'a bastion'.

The Defence Ministry's analysis in the White Paper foresees increasing support by the Soviet Union for guerilla forces in all the states of Southern Africa and the continuation in Angola and possibly Mozambique of 'the presence of troops from the German Democratic Republic (GDR)'. Though it is obviously difficult to gauge the scale and character of this presence, there seems little doubt that it is being deliberately exaggerated for public consumption. Talk of three operational East German battalions on the frontier is privately discounted by officials.

A Southern African defence zone embracing Namibia, Botswana, Swaziland, Zimbabwe Rhodesia and the 'homelands' would not only depend on the perception of a common enemy but would have major implications for South Africa's internal policies. A multi-racial common cause could scarcely be achieved on a basis of unmodified racial discrimination.

The assumptions behind this pattern of strategic thinking are that black leaders in the homelands are as vulnerable to terrorism as whites and that economic sanctions, which are no longer ruled out as impracticable, would force the affected countries of southern Africa to make common cause. A region with a population of 40 million people and huge natural resources and reserves of labour would, it is argued, be capable of survival against almost any threat. Its protagonists feel

that Namibia has demonstrated the possibilities of legally eliminating race discrimination and of a joint multi-racial defence; they see recent moves in the Republic as being in the same direction. It is doubtful, however, whether they have yet explicitly identified fully the implications of such a concept for the future control and composition of the armed forces of the area.

The raising of seven non-white battalions in South West Africa of which at least three—one Ovambo, one consisting of Bushmen and one racially mixed—have seen action on the border is now seen as the first step towards the creation of any army for a more or less independent Namibia. Recently, a leadership training school has been established at Okahandja about 60 miles north of Windhoek apparently with a view eventually to the creation of a black officer corps. One black captain, formerly in the Information Service, has, it seems, already been commissioned.

Discussion about the composition even of a Namibian force is, however, still in an embryonic stage. The question of black recruitment remains a sensitive issue; there seems to be little appreciation as yet of the difficulties implicit in quota systems and other devices for establishing within armed forces a racial balance, and all references are to promotion strictly on merit and the maintenance of civilized standards. The implications for the SADF of such a development are not yet capable of constructive discussion, but there is a reference in the 1979 White Paper to what is termed 'a more equitable division of the defence load amongst all population groups.' 'But how even so', Chief Buthelezi, Chief Minister of KwaZulu, said in a conversation on this topic, 'can I recommend my people, who would make good soldiers, to join a force over which we have no political control?' This is a view paralleled by the attitude of the coloured leadership towards conscription.

In adopting a new kind of 'Fortress' strategy, the South African attitude to the West is ambivalent. On the one hand, the emphasis of policy is being switched from Europe and America to the local region where the drive for self-sufficiency will be stepped up; on the other hand, it is clearly expected that a successful consolidation of Southern African power would rally Western support against Soviet and other incursions in the area, which would be in any case for geographical reasons militarily much more vulnerable than a 'laager' based on the Republic alone.

Such a policy is congruent with an appreciation that it is the resources of Southern Africa rather than its position astride the Cape route which are of the most interest to the world outside. It does, however, raise the spectre in some quarters of South African military intervention on a sustained basis in the affairs of neighbouring states—in short, of it becoming a neo-imperialist power capable of maintaining puppet African governments in the states immediately to the north. Though South Africa might try this if it was really in its interest and power to do so, it is more likely that the strategic rethinking, if that is what it is, is a sign of weakness rather than of strength and that its government would not be running the risks inherent in any steps towards liberalization if they thought there was a practical alternative.

Change in South Africa? Mr P. W. Botha's strategy and policies

MICHAEL SPICER

BEFORE Mr P. W. Botha could pursue the domestic reform which is an essential element of his 'total national strategy',[1] he had to take account of the divisions in Afrikanerdom which the Muldergate scandal and his accession to power aggravated. An active reconsideration amongst Afrikaner intellectuals of aspects of Afrikaner rule and the policy of separate development had been precipitated by the Portuguese Revolution of 1974–5 and its aftermath in Southern Africa. The debate was given added point by the Soweto riots of 1976–7, the death of Steven Biko and the October 1977 'bannings', and by international reaction to these events. The economic recession that they helped deepen was a further incentive to the rethinking of policy.

Differences within the National Party extended beyond the academic élite to the rank and file of party supporters. A growing divide between the old party base of farmers and miners and the new base of urban, bourgeois Afrikaners had for some time been apparent. The former group, whose interests the policy of separate development was particularly calculated to promote, generally adopt a more conservative stance, holding that the details of separate development are inseparable from the principles and cannot be altered without undermining the whole policy. The extensive business interests of the second group, however, positively require alterations in the policy. Fully preoccupied with the economic and political crisis of his last two years of office, Mr Vorster took no bold initiatives, though the foundations for some changes were laid.

As a Cape Nationalist, Mr Botha had never been popular in the more conservative Transvaal where the real power base of the party lies. His part in preventing the election of Connie Mulder, the Minister of Information, as party leader and Prime Minister after John Vorster's resignation by helping to expose Mulder's role in the Ministry of Information scandal, whilst at the same time ensuring his own election to those offices, sharpened his unpopularity and the party's traditional North-South rivalry. When Mulder was forced to resign from the Cabinet and the party in an attempt to defuse the scandal, Mr Botha's relations with the Transvaal Party and the Right in general deteriorated even further.

Mulder proved to be an inadequate sacrificial lamb, and so, after a dangerous confrontation with both the English, and significantly, Afrikaans Press, Mr Botha decided to make a formal break with the previous Administration in June by forcing the resignation of the then President and former Prime Minister. Mr Vorster represented a potential rallying point for Transvaal Nationalists already

[1] See the preceding article by Professor Gutteridge.

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alienated by Mr Botha's accession to power and by his treatment of Mulder, but in bad health and committed to party unity as he was, Mr Vorster failed to respond. Nevertheless the move was a bold one and showed Mr Botha's mettle, as did his decision after some hesitation to complete the symbolic cleansing of his administration by extraditing Eschel Rhoodie, the former Secretary of the Department of Information and major architect of its secret dealings, from France on charges of fraud. Rhoodie's threatened implication of Mr Botha and Senator Owen Horwood, the Minister of Finance (both of whom were in any case widely regarded as having known about aspects of the secret projects) failed to materialize, and even if fresh proof had been adduced, it seems doubtful whether a weary public, already responding to the new style of leadership, would have reacted strongly enough to challenge Mr Botha's position. However, one of the legacies of the scandal was the compounding of opposition from within the Party—still heavily weighted towards conservatism—to Mr Botha and his reformist programme.

Centralization and streamlining

A quiet revolution in the structures, procedures and personnel of party, government and bureaucracy was the means used by the Prime Minister to consolidate his position and prepare for change. Beyond its technical impressiveness, revealing Mr Botha's background as a long-time and skilled party organizer, this court revolution reflects his determination that change should be tightly managed and controlled through centralized policy-making and a streamlined administration.

With the help of an infusion of young supporters and a judicious juggling of portfolios, Mr Botha first constructed a Cabinet that retained the required provincial balance, but was dominated by those receptive to his ideas. Andries Treurnicht, elected leader of the Transvaal Party in place of the disgraced Mulder and widely considered to be the party's leading right-winger and greatest threat to Mr Botha's leadership, was too important to be left out of the Cabinet, but was relegated to the insignificant position of Minister of Public Works, Statistics and Tourism. Amongst other changes, Jimmy Kruger, the former Minister of Police and Prisons, who had so frequently and damagingly embarrassed Mr Vorster and the country, was kicked upstairs to the sinecure position of President of the Senate.

In his speech to the Transvaal Congress last September, Mr Botha expressed satisfaction with the 'team spirit' he had promoted in the Cabinet. As part of his goal of seeking greater freedom of manœuvre in response to changing circumstances, Mr Botha challenged the Congress to gainsay his determination that government rather than the party congresses be responsible for policy-making. The other steps he took to promote greater policy co-ordination were even more impressive: the number of Cabinet Committees was reduced from 40 to just 5 (Security, Economics, Finance, Social Affairs and Interior), each headed by a close supporter of the Prime Minister—though, on his orders, their identity has not been confirmed. In effect, these men form an Inner Cabinet with executive authority to formulate policy, the role of the Cabinet as a whole being downgraded to considering matters of ideological dispute. Centralization is completed by the new co-

ordinating Secretariat, headed by Mr J. E. du Plessis, who is also both Secretary to the Department of the Prime Minister and Secretary of the Cabinet as a whole. The overall policy framework is set by the State Security Council. The primacy of the role of the military is further emphasized by their representation on other policy-making bodies, by the constant presence of General Magnus Malan, Chief of the Armed Forces, and other officers at Mr Botha's side, and by the evident lessening of influence of the Department of National Security (the renamed Bureau of State Security).

However, Mr Botha is very far from being a figurehead. He clearly intends that the excessively large and inefficient bureaucracy should be the servant, and not the master or frustrator, of government, as it has often been in the past. He also wishes to use the drive for a smaller and more efficient public service and the reduction of the role of the public sector in the economy as one of the avenues for winning over business interests. (Co-opting black and white élites is the means whereby Mr Botha intends to gain a sufficient base of support to ensure the success of his policies.) Thus the Public Service Commission has been placed under the aegis of the Department of the Prime Minister, its Chairman, Dr P. S. Rautenbach, has been encouraged in his long-held desire for rationalization and three prominent businessmen from the private sector have been appointed to the Commission.

A reduction in the number of Government Departments from 40 to 18 is already envisaged, and the administration's whole range of organization and legislation is being subjected to scrutiny with the aim of rationalization. In the field of personnel, supporters of Mr Botha's policies have replaced hardliners at ministerial and deputy-ministerial level (an interesting example is the much renamed Department of Co-operation and Development), and the first changes amongst senior bureaucrats are beginning to appear. Most notable recently was the 'resignation' of the conservative Mr Manie Mulder (the brother of the former Minister) from the chairmanship of the West Rand Administration Board which administers Soweto.

Separate development endorsed

The streamlining of decision-making and policy implementation is geared towards the need for greater flexibility in the face of changing circumstances, but the underlying intention is to rationalize, not to abolish, the policy of separate development. Unlike a growing number of Afrikaner intellectuals, Mr Botha and his advisers do not consider this policy to be fundamentally unsound but believe it to be in essence the only one that will enable the Afrikaner to continue to control his destiny and safeguard his identity.

Mr Botha told the Natal National Party Congress in August, for example, that, whilst he did not believe in permanent and total separation of the races with legally defined white supremacy, he continued to see ethnicity as a central factor in South African political life, demanding recognition in the form of a measure of social and political separation. In the social field, he held that, whatever contact and sharing of other amenities developed, residential and educational separation would remain. In the political field, constitutional structures were required that

gave the Indian and Coloured minorities the chance to join the Whites in a system of consultation and shared responsibility for matters of common concern, and the black states (the new term for the homelands) control of their own destinies in properly consolidated territories. Any idea of a formal federation or confederation of the various homelands, racial minorities and white South Africa is considered premature; as Mr Botha told the Transvaal Party Congress, to envisage such structures before the development and consolidation of the homelands, would be to 'put the cart before the horse'.

The streamlining of the administration also indicates that Mr Botha is determined to manage and control the process of change. He has firmly rejected the calling of a National Convention of leaders of all race groups to decide the future political dispensation in South Africa, which both the official white opposition, the Progressive Federal Party, and nearly all the black groups insist is a sine qua non for peaceful change. And whilst he has actively committed himself to a process of consultation with leaders of other population groups (a considerable step forward from his predecessors), he has committed himself equally strongly to continued white leadership. For example, he told National Party supporters at Upington in July 1978 that the policy of the Government was one of

> maintaining orderly government and stability while striving to move along an evolutionary and constitutional road. This presupposes a responsible key role for white South Africa, which must retain the initiative through strong but amicable leadership.

This leaves the economic sphere and here Mr Botha and his advisers have already begun to make wide-ranging changes, building on the hesitant moves of Mr Vorster. Apart from the reasons already outlined, this is because rewards and responsibilities are easiest to distribute in the field of economic activity where the interdependence of all the people of the country is so manifest, and, most importantly, because the Government has come to realize that growing black unemployment and the increasing rejection of the capitalist system by young disaffected blacks poses an immediate threat to stability and security.

It would be unfair to judge Mr Botha's policies solely on the basis of utterances to National Party congresses. As a pragmatist still faced by smouldering resentment amongst a section of the party and ideological opposition from the Right, he naturally wishes to leave himself room for manœuvre by sketching only broad policy outlines. Yet a consideration of what has been achieved during the past 15 months by his government still leaves the strong impression that there is a gulf between the content and time-scale of Mr Botha's policies and the aspirations of the people, both white and black, whose support he is seeking, and that he is mistaken if he believes he can avoid or delay political change.

Co-opting business

As already noted, Mr Botha has shown himself particularly eager to woo the business élite. Businessmen have been given increased responsibility in such important parastatals as The South African Armaments Corporation (Armscor)

as well as a chance to take an equity stake in others like Sasol, the enterprise extracting oil from coal; they have been invited to sit on Commissions of Inquiry —most notably the Commission set up under Dr Simon Brand, the Economic Adviser to the Prime Minister, which is to co-ordinate all economic aspects of the 'total strategy'—and to meet the Prime Minister en masse on 22 November 1979 to discuss his policies, particularly the subject of the 'constellation' of Southern African states. Encouraged by its new-found status, the business community has responded positively. It has welcomed the implementation of the recommendations of the de Kock Commission of Inquiry into Exchange Controls and most of the recommendations of the Wiehahn and Riekert Commissions of Inquiry into Labour Relations and Manpower Utilization, as well as the Government's liberalizing measures in other fields such as the relaxation of censorship and the promise of a less propagandistic broadcasting system.

The new attitude of co-operation was expressed by Mr Harry Oppenheimer, Chairman of the Anglo-American Corporation and long-time supporter of the Progressive Federal Party, in an address to the South African Institute of Race Relations on the occasion of its 50th Anniversary. He said that it was time for opposition politics to move away from the politics of protest towards encouraging the reformist direction of Mr Botha's government. There are already signs that businessmen have actively adopted this attitude: it was largely business pressure that led to the reversal of the Government's decision not to extend trade union rights to workers from the homelands, a refusal which effectively emasculated the Wiehahn Commission recommendations.

At his November business summit, Mr Botha ruled out any formal political structure linking South African states for the moment, but asked businessmen to help promote regional political co-operation wherever possible, and more specifically, to help fund a regional development bank and regional bodies promoting tourism and co-operation in fields such as health, soil conservation and animal diseases. Within South Africa, he requested business aid in forwarding the separate development strategy by greater investment in the homelands and backing for their consolidation into more viable economic and political units. Business reaction was generally enthusiastic, but there was some doubt about the continued vagueness of Mr Botha's political intentions. Mr Oppenheimer sounded a cautious note, warning the Government that political reform was as urgently needed as reform in the economic field. The Government would have to abolish the much hated pass laws (the major influx control mechanism which the Riekert Commission recommended be modified but not abolished) and move on from consultation to real negotiation with black leaders, if it did not wish the expectations it had aroused amongst both businessmen and blacks to be bitterly frustrated.

Contrasting responses

Other sections of the white community have been less forthcoming about Mr Botha's policies. Both English- and Afrikaans-speaking farmers have expressed alarm at the prospect of wide-scale consolidation of the homelands that the Van der Walt Commission into Land Consolidation seems to presage. Mr Botha's

dilemma is nowhere better illustrated than here. Meaningful and swift consolidation of the homelands is absolutely essential for the support of homeland leaders—as was made clear to Mr Botha on his tour of the homelands in mid-1979. But white farmers are appalled at the prospect, claiming that the result of consolidation will be a slump in food production and that if there is to be consolidation, they will have to be fully compensated prior to the incorporation of their land into the homelands.

It had been mooted in some quarters that the huge costs of an immediate compensation programme might be obviated if the boundaries of the homelands could simply be redrawn to include white farms and towns, and, looking to the future, that white farmers and townspeople might be encouraged to stay on in the homelands to share their expertise and prepare for the eventual federation or confederation of the homelands and white South Africa. But the Government seems to be dithering, wishing to alienate neither the white farming community nor the homeland leaders. Nor does it want to incur large-scale unproductive expenditure at a time when the economic development of the homelands is an urgent priority.

In the recent bye-elections, Mr Botha has failed to win significant support from English-speaking voters and he even lost the Edenvale bye-election. But whilst he has shed support to the extreme right-wing party, the Herstigte Nasionale Party, Mr Botha has succeeded in pinning much of the blame for poor National Party performance in the Transvaal at the door of Andries Treurnicht. However, the sort of bold steps he needs to take, for example, on the issue of consolidation, will fully test his willingness to shed seats in pursuit of his policies. It is doubtful whether, as an Afrikaner Nationalist, Mr Botha's pragmatism and new alliances will allow him to countenance the actual loss of Afrikaner dominance.

In his extensive tour of the homelands in mid-1979 and his trail-blazing visit to Soweto shortly after, Mr Botha did not have much that was new to offer except a manifest willingness to listen to black leaders. It is true that he has referred the Constitutional Plan—the product of a Cabinet Committee headed by him during Mr Vorster's Premiership, which had been heavily criticized by Coloured, Indian and White opposition leaders as well as Blacks, most notably for the exclusion of urban blacks from the new dispensation it proposed—to a new Commission headed by the Minister of the Interior, Mr Alwyn Schlebusch. It is also true that this Commission is empowered, in a significant widening of the consultation process, to take evidence from all sections of the population. But Mr Botha's victory in the 1979 round of provincial party congresses on the issue of policy formulation would hardly extend to proposals for major Constitutional change. The gulf between what would be acceptable there (and Mr Botha in his party congress speeches does not seem to be considering a radical departure from his own Constitutional Plan) and what would be acceptable to a sufficiently broad base of black opinion to make the proposals workable, seems as unbridgeable as ever. The reactions of the members of the South African Black Alliance (Saba), a loose grouping of several parties and organizations committed to non-violent change and led by Gatsha Buthelezi, Chief Minister of the Zulu homeland, illustrate this point vividly.

The major Coloured party, the Labour Party, established in 1978 its own Constitutional Commission, the Du Preez Commission, which called for a unitary state with a system of universal franchise. When Mr Botha met a delegation from the party in November 1979, a major confrontation ensued because the hard core of the Labour Party (which is split on the issue) is not prepared to be merely consulted by a Commission almost certainly subject to national party congresses and on which it is not even represented. The Indian Reform Party, which may well become the major Indian party in the first direct elections for the Indian Council next March, seems prepared at the moment to give evidence to the Commission, but is committed to a similar dispensation to that envisaged by the Labour Party.

It should be noted, too, that both the Labour and Reform Parties are committed to forcing change by making the present system of Coloured and Indian Representative Councils unworkable and that they by no means represent the most radical line in the Coloured and Indian communities, drawing as they do the majority of their support from the older generation. Many of the younger generation wish to sweep away the status quo in its entirety and are willing to employ violence towards this end.

The position adopted by the leader of the Zulu Inkatha Movement, Gatsha Buthelezi, might seem superficially to offer more comfort to Mr Botha. Buthelezi sees in Botha's policies the sort of opportunities for constructive political activity that he found and has pursued in the homeland policy. He wishes to transform Inkatha from its rural and tribal base into a national mass movement, for he feels that only such a movement with an emphasis on discipline, organization and patient preparation as the prerequisites for successful liberation, can prevent blacks from resorting to violence. Hence he has indicated that he is prepared to give evidence to the Schlebusch Commission and is considering involving Inkatha in Minister Piet Koornhof's system of community councils, which provide for the extension of municipal local government to urban blacks with the prospect even of multi-racial metropolitan councils.

But urban black groups such as the Soweto Committee of Ten led by Dr Nthato Motlana, and the newly resurgent Black Consciousness movement, totally reject any participation in the system, calling for direct negotiation on the abolition of separate development with Mr Botha. They have accused Buthelezi of being a puppet and have become even more enraged at Inkatha's increased activity in urban areas. Buthelezi has responded in kind and a bitter struggle seems certain. Buthelezi has already shrewdly sought to legitimize Inkatha's strategy by associating it with the outlawed but still prestigious African National Congress, flouting South African law by quoting Nelson Mandela, the imprisoned leader of the ANC, and visiting Britain to meet ANC representatives.

These activities have been met with surprising tolerance by the Government, which probably sees advantage in a clash between the two black groups and would prefer to deal with Buthelezi. Perhaps, too, the Government has learnt that the banning of black leaders and organizations only encourages radicalization, for, apart from the greater tolerance displayed towards dissident leaders, Mr Botha

has, after hard-hitting criticism from Afrikaner intellectuals, ordered a judicial Commission of Inquiry to review all aspects of security legislation.

But Buthelezi promises no long-term comfort for Mr Botha, for his political goals are similar to those of the partners in Saba and the extent of Mr Botha's reforms thus far does not augur well for support from other quarters. Though there have been many changes (often startling, in South African terms) which positively affect the lives of blacks, their implementation has been hesitant and has lacked coherence. The vast number of investigations and commissions of inquiry seems to confirm an uncertainty of direction which goes beyond just prudent flexibility. Even given the constraints imposed by opposition from the Right and a continuing measure of bureaucratic obstruction, there still appears to be insufficient grasp of the necessity for swift and bold action. Five examples illustrate the point.

Half-measures

Firstly, the Government's hesitation over extending trade union rights to homeland blacks as well as urban blacks has destroyed much of the goodwill created by the Wiehahn Commission, and the suspicion sown in the minds of local black and international trade unionists will be hard to remove. Amongst the black workers, there is an even more ominous trend, as recent events at Ford factories in the Eastern Cape have shown. Deprived of structures in which to exercise their political aspirations, and disillusioned with even recognized black unions, some workers are resorting to wildcat strikes to express their political grievances.

Secondly, the 99-year leasehold system devised to give urban blacks greater stability and recognize their permanence, is both too expensive for most blacks and so enmeshed in red tape that, at the time of writing, only some 35 leases had been granted.

Thirdly, whilst the reprieve granted to the Crossroads squatter camp outside Cape Town by Piet Koornhof was widely welcomed, demolition of squatter housing elsewhere has continued, as has the removal of blacks from so-called 'black spots' in white areas back to the homelands. Thus the shortage of housing and high level of unemployment amongst blacks, both problems which have reached crisis point, are being greatly increased in pursuit of separation. Further, although there was a three-month moratorium to allow those blacks working 'illegally' in urban areas to register and thus to remain there at least temporarily, the new and more efficient influx-control system recommended by the Riekert Commission (huge fines on employers of 'illegal' labour) is now in operation and is already sending blacks back to the homelands where survival will be a grim struggle.

Fourthly, Mr Botha's hint that the Mixed Marriages Act and Immorality Act might be amended, and perhaps ultimately abolished, has been withdrawn in the face of right-wing opposition and the realization that such a move would threaten two fundamental pillars of separate development, separate racial residential areas (the Group Areas Act) and racial differentiation itself (The Population Registration Act).

Fifthly, the loss in accordance with government policy of South African citizenship by blacks belonging to independent homelands has become such an explosive issue that Mr Koornhof has established a Cabinet Committee to investigate alternative policies. But there seem to be none acceptable to blacks which do not either undermine the homelands policy or require the establishment of a substantive federal structure.

The inescapable conclusions that must be drawn from this survey of Mr Botha's policies and responses to them are twofold: on one hand, much has been achieved in the face of many difficulties, for which Mr Botha should be given credit; on the other, he will have to go a great deal further to begin to meet the increasing aspirations not only of the élites whom he is seeking to co-opt, but also of the broad mass of the people. Even such a conservative black as the chairman of the major black business organization, Mr Sam Motsuenyane, said as much in response to Mr Botha's recent businessmen's summit.

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Note of the month

'REQUIEM FOR DÉTENTE?

IN his apologia for the invasion of Afghanistan, President Brezhnev took comfort in the fact that détente 'has deep roots, is supported by mighty forces and has every chance to remain the leading tendency between states'. On this, at least, President Carter agrees. However, the invasion itself and the various measures taken in response have resulted in a situation which does not appear much different from the Cold War to which, we are told, nobody wants to return. Even the 'hot-line' has been used to transmit fibs.

Two basic achievements of détente might be at risk. First, the acknowledgement of the shared interest in avoiding nuclear war (though this was never in much doubt), and, second, the acceptance of the existing European boundaries including the anomalous position of West Berlin. It has been agreed that the fundamental disunity of Europe should no longer be allowed to cause friction or impede the development of mutually beneficial relationships across the great divide. If détente is to survive in any form, the minimum condition is that neither side reneges on this agreement.

At the start of the 1970s it was hoped that détente would move beyond a sensible ratification of the status quo, and that new associations would develop and flourish. Some benefits did flow: for inhabitants of Berlin, ethnic Germans anxious to leave Poland or Jews anxious to leave the USSR, Western farmers and purveyors of high technology, Communist consumers. The closer one gets to the East–West border the more substantial these benefits, including the general easing of political tension, appear. Further away, except for the North American farm belt, they seem of less significance: the impact on either side in the management of its internal affairs has been slight.

Expectation of vast social and economic changes were always unrealistic. A more genuine disappointment is in the diplomatic sphere. Arms control negotiations have come to embrace most aspects of military activity but are now completely bogged down, a source of acrimony rather than harmony.

The most serious damage to détente has come from the failure to come to terms with the political volatility of the Third World, with its uncertain boundaries and confused guidelines for East–West conflict. The USSR is now accused of taking advantage of a détente-induced restraint in the United States to engage in a series of foreign adventures. However, détente was not the cause of American restraint. In the early 1970s, as the United States was trying to extricate itself from Vietnam and, then, as it nursed its wounds, it became convinced of the folly of military intervention as a means of promoting great-power interests.

It was assumed that only corrupt and unpopular regimes would get themselves into the sort of mess where they needed outside assistance. Response to such calls was not only expensive but also decidedly unwholesome, especially when the opposition turned out to be stubborn and resourceful. It was further assumed that

the record of the Soviet Union as a trouble-maker in the Third World was not unduly alarming: supplies of arms and advisers to Marxist regimes and sundry liberation movements, but few large-scale commitments of men and material. Moreover, the challenges from the Third World, while awkward were quite novel and not usefully interpreted in East-West terms.

Unfortunately the Soviet Union has not learned, at least not yet, the same 'lesson of Vietnam'. Its doctrines and ideology teach it respect for raw military power, while it lacks the alternative diplomatic instruments derived by America from its key role in the international economic system. Moreover, the USSR has invested many roubles in developing all the military attributes of a super-power, including a capacity to project its power to any part of the globe. On occasion, more as opportunities have arisen than according to some grand design, it has attempted to get some return on this investment, by airlifting Cubans into strife-torn African countries or assisting the Vietnamese in Indochina. This has resulted in increasing consternation in the West over the underlying motives informing Soviet foreign policy.

The Soviet Union chose to get involved militarily in the squabbles of the Third World at a time when the United States was moving in the opposite direction. But simultaneously the West was becoming more conscious of its dependence on a number of Third World countries—notably the oil-producers of the Middle East. The alarm in the West is thus based on the fact that, first, the Russians are throwing their weight around at all, and, second, that this is being done close to areas of crucial importance to the sustenance of Western economies. The West's own policy in these crises has been confused, apparently relating more to preventing the expansion of Soviet influence anywhere than preserving particular regimes in countries which in themselves are of little intrinsic interest.

What cannot be said is that the Soviet Union has decided to pick off the more vulnerable friends of the West. The victims of the adventures of the USSR and its agents—Angolan liberation movements, Eritrean guerrillas, Somalia, Pol Pot's Kampuchea, Amin's Afghanistan—have hardly been the obvious protégés of American foreign policy. Practically all have a Marxist past. Prior to the December 1979 invasion, Afghanistan had already acquired a prominent place in lists of contemporary Soviet perfidy and acquisitions. It had been virtually written off by the West after the April 1978 coup, although the developing Soviet predicament in supporting an unpopular regime, not quite of its own making, with a wretched army losing to Islamic tribesmen, was well known.

The situation was observed with mild pleasure: the Russians were getting their come-uppance. Diplomatic channels were not exactly choked by warnings from the West on the importance attached to the territorial integrity of Afghanistan. This does not mean that the Russians had reason to be surprised by the strength of the American reaction. If they were, their antennae had failed dismally to pick up the American mood. They might have had reason to hope that the political clout of Iowan farmers about to vote in a primary election would protect their grain supplies (Republican candidates, hawks to a man, have felt it prudent to regret the use of the 'grain weapon'). They were probably aware of the fatal

consequences of the invasion for strategic arms limitation and did not care.

The last best hope for détente was the June 1979 Carter–Brezhnev Summit in Vienna at which the SALT II Treaty was signed. The Treaty achieved no great reforms in strategic relations, but it did have a number of virtues and, on a strict reading, if anything favoured the United States.[1] Nevertheless, a formidable opposition to SALT had already been formed in the Senate, unwilling to be diverted by mere facts and convinced of the foolishness of any approach to East–West relations other than one based on a strong military posture. The opposition was losing steam until it enjoyed a revival with a piece of frivolity over Soviet troops in Cuba for which the Administration must take much of the blame. Carter attempted to keep SALT alive by ostentatiously raising the defence budget, approving the new M-X ICBM and encouraging Nato to take a decision on theatre nuclear modernization last December. All these measures could be justified on their merits, but the cumulative effect was to reduce the stake the Soviet Union had in SALT while failing to appease the critics. Once it had become apparent that SALT was still stuck in the Senate, with no hope of early release, the Russians just gave it up as a bad job.

This brings us back to the minimum conditions for the perpetuation of détente described earlier. There is no reason to believe that either side has changed its mind on avoiding nuclear war or that SALT is necessary to confirm this. One reason why the negotiations were floundering was the difficulty in identifying useful arms control objectives when the strategic balance was essentially stable already. It is in Europe, however, that the exhaustion of arms control (which includes all the current talks) will be most deeply felt because it is here that there remains the strongest constituency in favour of such negotiations, as was seen in the run-up to the December decision on theatre nuclear forces. In Europe, countries are torn between support for their respective super-powers and the desire to prevent relations deteriorating too far. On the Western side, there is also genuine indignation at the Soviet Union's invasion and its intensified domestic repression—of which Andrei Sakharov is the latest victim. This tension will exercise a disturbing influence on the coming German election campaign.

At the moment there is a danger that the aggrieved and belligerent nationalism coming to the fore in the United States will sour relations with its allies, now widely assumed to be supine when it comes to promoting the common interest and uncaring for America's specific problems. The Europeans must recognize this mood, not dismiss it as an election year phenomenon (which it is not and, anyway, it is as often as not an election year in the US). Rather than bemoan the convulsions in Carter's foreign policy they need to address themselves more seriously than before to the challenges faced by the Americans outside Europe. There is now a proper search for some means of making the Russians 'pay' for their transgression, but it illustrates the difficulties of constructing a foreign policy based on the manipulation of threats and promises. Those who draw attention to the limits on military power in modern diplomacy have assumed that alternative

[1] See Lawrence Freedman, 'SALT II and the strategic balance', *The World Today*, August 1979.

forms of 'leverage' could be found in economic and resources policy. The Carter Administration, reluctant to use military force to solve problems, has been sampling the alternative forms of pressure, including uranium and food supplies, technology transfer and financial holdings. While less costly in human life, in other respects these are as difficult to use as military force because of similar problems—technical impediments, uncooperative allies, unyielding victims. They may be more difficult, because at least soldiers are prepared to be the servants of foreign policy, whereas this is not so with farmers, sportsmen, bankers and traders. These weapons may work, as can straightforward military power, but they have their costs, one of which is politicizing what might otherwise be purely commercial transactions.

Similar problems arise in using these areas to furnish rewards as well as punishments. During the balmier days of détente there were doubts about the broader economic consequences of providing credits and technology to the East on favourable terms for political reasons. Even if East–West relations become warmer, this doubt, and the sense of disillusion surrounding arms control, may make it difficult to provide positive inducements. Controlling relations by some combination of carrots and sticks is not going to be easy.

Whether the current situation constitutes Cold War or détente is largely a matter of definition. Before we return to something more recognizable as genuine détente, we should be prepared to learn from the sorry experience of the 1970s. First, there is a need for more 'mutual understanding', a hackneyed term that is easier to insert into communiqués than to achieve in practice, but which is none the less vital. This will require the Russians to be more candid about their own problems. Second, more thought is needed on what the East can do for us, for example in raw material supplies, and on areas of genuine common interest. This is not the time to make it harder for the USSR to develop its oil reserves. Third, ambitious diplomatic agendas that create nothing but inflated expectations and tedious negotiations should be eschewed in favour of modest discussions which have a clear and not wholly propagandist purpose for both sides. Fourth, East–West commerce should be encouraged but not by artificial stimuli. Last, we should recognize that a bargaining position requires much more than the ability to hurt the Soviet Union and its satellites if necessary—also solidarity among allies and a capacity to gain friends and influence in the turbulent areas of the Third World now in contention.

LAWRENCE FREEDMAN

Thailand and the Manila Pact

LES BUSZYNSKI

THE Thai-US link was the only relationship within the Manila Pact that was not duplicated by the existence of other bilateral or multilateral arrangements. For years, because of the recognition of Thailand's security needs, the South-East Asian Treaty Organization (SEATO) was retained and supported by the American Administration although international developments made its existence seem increasingly anachronistic. To do otherwise would have called into question America's intentions and the credibility of its continuing commitments at a time when it was evolving the doctrine of gradual military disengagement from the region. The termination of the treaty organization on 30 June 1977 was made possible because Thailand's assent released the United States from the dilemma of maintaining an alliance framework which no longer served its purpose. American credibility had been shattered anyway after the Communist conquest of Indochina. In the Thai view, the sacrifice of SEATO—the monument to the American military presence in the region, whatever it meant after the fall of Saigon[1]—was the price to pay for the preservation of the parent treaty.

Thailand always feared that the operation of the 'constitutional processes' provision of Article IV (1) of the Manila treaty[2] would allow a powerful but isolationist Congress to nullify the commitments negotiated by the Executive. For this reason it was a constant aim of Thai diplomacy to remove the basis of criticisms of the alliance to ensure that the essential American guarantee represented by the treaty would be retained. A major criticism was that via SEATO Thailand could involve the United States in another Vietnam war situation. When the withdrawal of American forces was initiated in 1969, Thailand agreed to the termination of the treaty organization because after the fall of South Vietnam the Thais were becoming isolated within the alliance, the Philippines having moved to the position shared by Australia and New Zealand that SEATO no longer had any future. The condition negotiated by Thailand for its agreement to the demise of the treaty organization was the retention of the Manila Pact. Thai concern on this point could be seen during the Foreign Minister Chatichai Chunhawan's tour of Australia and New Zealand in August 1975, when an effort was made to have the two Labour Governments of these countries agree that the relationship with the US embodied in the Manila Pact would not be affected by any decision to dissolve SEATO. Their assent ensured that two major critics of the alliance after the Vietnam war would be satisfied with the removal of its organization.

[1] SEATO had been orientating its work towards counter-insurgency and economic assistance since the late 1960s. In 1973 it was decided to abolish the military planning office, and thereafter SEATO was an economic aid and counter-insurgency agency.

[2] Under the wording of Article IV (1), in the event of aggression by means of armed attack each party agreed 'to meet the common danger in accordance with its constitutional processes'.

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As a consequence, the Manila Pact remains in force. Seven countries (the United States, Britain, France, Australia, New Zealand, Thailand and the Philippines) are still signatories to the treaty, Pakistan being the only member to withdraw officially as from 8 November 1973. The Council established under Article V, theoretically, can still be summoned in the event of an attack within the treaty area. However, the retention of allies is not the significant feature of the Manila Pact. The treaty, together with the accompanying Rusk–Thanat agreement of 6 March 1962, remains a point of entry for possible United States intervention in the region. The Rusk–Thanat agreement permitted the United States to undertake unilateral action under the treaty without reference to the then existing treaty organization, which stipulated that decisions be made according to a unanimity rule. The termination of the treaty organization has left the agreement intact, which confirms that action under the alliance can be unilateral.[3]

The importance of the continued existence of the Manila Pact for Thailand resides in the deterrent value of the possibility of United States re-intervention into the region. For this reason Thai leaders have seized every opportunity to persuade the American Administration to reaffirm its commitment to the treaty. Whether this commitment will ever be put to the test depends on Vietnam's policy towards Thailand. It was because of a perceived Vietnamese Communist threat after Dien Bien Phu that Thailand joined the US in forging the Manila Pact and SEATO in the 1950s. Whether there is any substance behind the remaining commitments depends on how the United States Administration and Congress view this residual obligation.

The problem of subversion

The Thai leaders have apparently excluded the possibility of overt aggression against their country, and under existing conditions that possibility would seem remote. Indeed, it could be said that SEATO's one achievement was to remove open aggression as a possible policy option for Communist strategy within the region. Subversion has been considered to be the main danger and King Bhumipol warned after the fall of South Vietnam that 'Thailand is now a direct target of an enemy who wants to control our country'.[4] Thailand has feared the ability of the Vietnamese Communists to exploit the opportunities created by insurgency. The Vietnamese have not really renounced their support fo the Thai Communist party in the north-east of Thailand, nor did the contention that they would have difficulty in crossing an ethnic barrier prevent Vietnamese penetration of the insurgency movement in Cambodia.

Under the Manila Pact, Article IV (1) calls for a response in the event of 'aggression by means of armed attack', while subversion is covered by Article IV (2) where the obligation is to consult. The Manila Pact has no definite application in

[3] The Rusk–Thanat agreement, in stating that the obligation in Article IV (1) was 'individual as well as collective', merely restated the existing obligation, for there was nothing in that article to say that the obligation was collective. The obligation was made collective in 1955 when it was decided to adopt the unanimity rule. This rule was abolished in 1963 when a variation of majority rule was introduced.

[4] *The Straits Times*, 16 December 1975.

the case of subversion—it was the intention of its creators that the treaty would not provide a legal basis for unwarranted intervention into any of the states within the region. The obligation to consult at least gives the Thai leaders the opportunity to present the United States with a moral claim for material and financial assistance. Ultimately, however, the retention of the Manila Pact is one factor in an effort to ensure that overt aggression as a Vietnamese Communist policy option is permanently excluded.

The three underlying factors of Vietnam's initially conciliatory policies within the region since its formal reunification in July 1976 were: first, suspicions of the American presence shown by the retention of bases in the Philippines, support for ASEAN and the existence of the Manila Pact itself; second, the need for economic reconstruction, which the Fourth Congress of the Vietnamese Communist Party (14–20 December 1976)[5] established as the main priority for the second five-year plan; and, third, the assertion of Chinese influence through the alignment with Pol Pot's Khmer Rouge and, later, through the limited invasion of Vietnam itself. The need for economic reconstruction has not been a significant restraint upon Vietnamese ambitions; it was a temporary self-imposed priority. The role and function of the United States presence in the region is uncertain, the significance of the Manila Pact for American policy-makers is ambiguous. Except for China's entry on to the scene, as Lee Kuan-yew observed, 'there is no combination of forces in South-East Asia that can stop the Vietnamese on the mainland of Asia'.[6]

Recognition that China has become the immediate counterbalance to Vietnam within the region was behind Pham Van Dong's visit to Bangkok on 6–11 September 1978. The Vietnamese Premier proposed that the two nations sign a treaty of friendship, but if the Vietnamese were concerned about China so were the Thais, for the offer was refused. In the joint communiqué, both countries pledged to 'refrain from subversion either directly or indirectly'.[7] but Vietnamese support for and assistance to the insurgents in the north-east has not been affected by gestures of this kind. Indeed, as a working report on foreign policy submitted to the Fourth Party Congress put it, the Lao Dong party was to continue the policy of assisting peoples of the region in 'their struggle for independence, democracy and freedom from imperialism'.[8]

Conflicting US priorities

The American view of the residual commitment vested in the Manila Pact and what it may entail today is founded upon conflicting priorities. The Administration has, in the past, affirmed the continuing validity of the Manila Pact and the accompanying Rusk–Thanat agreement with observable reluctance. The Manila Treaty's misuse during the Vietnam war as an instrument of executive intervention into the region damaged relations between the Administration's executive and legis-

[5] See Ralph Smith, 'Vietnam's Fourth Party Congress', *The World Today*, May 1977.
[6] *The Straits Times*, 9 February 1979.
[7] *The Times*, 7 and 11 September 1978.
[8] *The Japan Times*, 8 November 1976.

lative branches. The separation of powers controversy has made the Executive wary and cautious of reopening old wounds. The affirmations of the validity of the treaty commitment have been issued with great circumspection and with little publicity from American sources. The then Assistant Secretary of State for East Asian and Pacific Affairs, Philip Habib, in a taped interview on 4 February 1976, was one of the first American officials openly to stress the validity of these treaty links after the collapse of South Vietnam. Although the fall of Indochina had removed the basis for the treaty—originally formed for the defence of the three non-Communist states of Indochina—Habib affirmed that 'the really residual element of the Manila Pact... is the extension of a security umbrella to Thailand'.[9] In Bangkok on 22 May 1977, the Deputy Assistant Secretary of State for the same office, Robert Oakley, skilfully avoided a Thai question as to the validity of the Rusk–Thanat agreement by saying that the Carter Administration would 'make its own judgement depending on the specific circumstances'.[10] However, four days later, the Thai Foreign Minister, Upadit Pachariyangkun, reported that Oakley had given him his assurance that the United States would honour commitments to both the Manila Pact and the Rusk–Thanat agreement.[11]

Thus the treaty links received explicit mention only at Thai insistence. The US Administration was at pains to stress that the lingering commitment survived because of Thai security needs and not because of any intention to use or consider the use of the treaty as an instrument of re-intervention. Much the same happened during Vice-President Walter Mondale's visit to Thailand (4–5 May 1978), which was designed to demonstrate the continuing interest of the United States in South-East Asia. Thai sources, not American, reported Mondale as having again confirmed the validity of the Manila Pact and the accompanying Rusk–Thanat agreement. After his visit, Premier Kriangsak Chamanan underlined that the United States was still maintaining forces in the region and was 'upholding' the Manila Pact.[12]

In the American view, the maintenance of this 'security umbrella' over Thailand is part of the process of attending to what the Assistant Secretary of State, Richard Holbrooke, has called a regional equilibrium, that is, preventing any single power from achieving a 'preponderance of influence or military superiority in the region.'[13] However, the period of extended involvement in the region has impaired the willingness of the Administration to test its capacity to intervene. It thus faces the prospect of maintaining a regional equilibrium with the means to do so seriously limited by Congressional and domestic opinion averse to renewed commitments in the region. Yet the capacity to intervene is the main factor in any effort to police the regional equilibrium. What kind of support could Thailand expect under the alliance? Some clarification of this uncertainty has emerged in the wake of subsequent events.

[9] *The Straits Times*, 19 February 1976.
[10] *Foreign Affairs Bulletin* (Thailand), April–June 1977, Vol. XVII, No. 2, p. 55.
[11] *ibid*, p. 56.
[12] *BBC Summary of World Broadcasts* (henceforth BBC SWB), 8 May 1978. During his ASEAN tour in February 1978 Kriangsak expressed his faith in the alliance. SEATO, he said, 'had deterred aggression and had prevented wars'. *Far Eastern Economic Review*, 10 March 1978.
[13] *Department of State Bulletin*, August 1978, Vol. 78, No. 2017, pp. 1–2.

Commitment reaffirmed

The Vietnamese invasion of Cambodia on Christmas Day 1978 revived the question of Vietnamese ambitions towards the region and towards Thailand in particular. The near-completion of the 'Indochina federation', a goal pursued consistently during the Indochina wars, brought together two traditionally antagonistic countries formerly separated by the flimsiest of buffer states. Thailand's expressed neutrality under the circumstances gave the Vietnamese the benefit of the doubt in assuming Vietnamese ambitions to go no further than Cambodia. The Thai Foreign Minister made a point of saying he believed Pham Van Dong's assurances during his September visit that Vietnam respected Thailand's sovereignty.[14] The Premier, too, was reported to have said that he had received a letter from the Vietnamese Prime Minister to the effect that Vietnam would not intervene in Thailand.[15] For Thailand, neutrality under the circumstances meant the uncomfortable recognition of and acquiescence in the firm demarcation of a Vietnamese area of interest. After all, it was to prevent such a demarcation that Thailand had originally joined SEATO. But Thailand was compelled to indicate indifference as the promise of American support embodied in SEATO had dwindled to a residual commitment of uncertain nature. Neither assurances from Pham Van Dong nor the resolution of the extraordinary meeting of the ASEAN foreign ministers in Bangkok in January 1979, which called for an immediate withdrawal of foreign troops from Cambodia, could substitute for a security guarantee. Thailand now had the opportunity to develop an alignment with China: despite its professed neutrality, it was revealed that the Thais were indeed permitting Chinese aid to be despatched to Pol Pot's forces through Thai territory.[16] The Thais had their own fears about the Chinese who, like the Vietnamese, had never renounced their support of the insurgency movement in the north-east. For a country on the Asian mainland to use one Communist neighbour to restrain another was a dubious proposition, and the Vietnamese were bound to see the attempt as provocative. Once again Thailand sought confirmation from the United States of the validity of the Manila Pact. The residual nature of the Pact was such that it could hardly appear provocative after the American withdrawal from Thailand. Moreover, the Pact was an existing link and Thailand was not introducing new elements into the Indochina situation by having the treaty link confirmed. The deterrent value of the Pact hinged upon the perception of an undefined line beyond which American leaders would regard Vietnamese actions as disturbing the regional equilibrium.

President Carter placed that line between Cambodia and Thailand. In a statement made on 17 January 1979, he indicated that US interests were affected by the Vietnamese invasion and revealed that the Administration had warned both the Soviet Union and Vietnam not to endanger Thailand's security.[17]

During his visit to Washington (4–16 February 1979) Kriangsak tried to obtain specific assurances from the President. He also wanted to test the mood of the United States after the termination of the Mutual Security Treaty with Taiwan.

[14] *The Straits Times*, 11 January 1979.
[15] *The Japan Times*, 17 January 1979.
[16] BBC SWB, 14 February 1969.
[17] *New York Times*, 18 January 1979.

President Carter told Kriangsak during the welcoming ceremony on 6 February that 'the bilateral commitment and the multilateral commitments made in the Manila Pact are the bases for our security agreements with you'.[18] This statement was incorporated into the joint communiqué of 8 February, which again confirmed the importance of Thailand to the United States. During a news conference on the preceding day, Kriangsak said the President had assured him that the United States would take 'definite action' if the security of Thailand were threatened, adding 'the United States has reassured us and given us confidence that if the situation around us escalates, the United States will not stand idly by'.[19]

This was the clearest affirmation of the security obligation towards Thailand that Thai leaders have been able to obtain. There was, however, little indication of what 'definite action' would entail. Invasion of Thailand by a spill-over effect would provoke a crisis within the Administration and the question is whether the President would be prepared to meet the demands of regional equilibrium by using the existing channel for re-entry into the area provided by the Manila Pact. Under the US War Powers Act, the President has a 60-day limit under his authority as Commander-in-Chief to commit forces, but the success of any such action would ultimately depend upon the mood of Congress and the country which may not relish further Executive intervention into South-East Asia. In situations below the threshold of open invasion the 'definite action' envisaged would mean material and financial assistance. The United States had earlier approved a $6 million increase in military sales credits to Thailand bringing the total from $24 m. to $30 m. This action was called a direct response to the Vietnamese invasion of Cambodia.[20] Material and financial assistance is given on the understanding that the recipient state can deal with and contain the situation. Unless this condition is satisfied, there will be increasing pressure for re-entry under the Manila Pact with all the attendant problems.

Kriangsak balanced his visit to Washington by a visit to Moscow on 21–26 March 1979. This was not only an attempt to obtain Soviet assistance in moderating Vietnamese behaviour in the region but also an effort to demonstrate to the Vietnamese that Thailand was not relying solely on the United States for support. On his return, Kriangsak reported that the Soviet leaders were 'absolutely confident that Vietnamese forces had no plan to invade Thailand'.[21] Soviet willingness and ability to restrain the Vietnamese in anything other than open invasion was another matter. It is significant that Kriangsak did not visit Peking;[22] Thai leaders may have welcomed the Chinese invasion of Vietnam but this exhibition of Chinese power engendered some apprehension as to China's future role in the region. This is yet another reason to retain the Manila Pact.

The interests of all three great powers have been engaged by the events of

[18] *International Communications Agency* on Kriangsak's visit to Washington.

[19] *New York Times*, 8 February 1979.

[20] *International Herald Tribune*, 22 January 1979. Thailand also asked the United States to put forward deliveries of existing orders; a 'special price' for weapons to be purchased in the future was granted. BBC SWB, 17 February 1979.

[21] *International Herald Tribune*, 29 March 1979.

[22] His deputy, former SEATO Secretary-General Sunthorn Hongladarom, visited Peking beginning 10 January 1979.

December 1978 and February 1979 and the resulting balance of forces in Indochina subsists. The alliance between the Soviet Union and Vietnam has been matched by the natural alignment between the United States and China specifically directed against the expansion of Vietnamese or Soviet influence in the region. The United States, therefore, has sought fit to confirm its commitments to the Manila Pact which has gained new importance, if only as part of an effort to limit Soviet influence according to the exigencies of regional equilibrium.

In Singapore on 30 October 1979, the US Assistant Secretary of State said the United States was increasing its military assistance to the South-East Asian region.[23] In Malaysia, Holbrook reaffirmed the validity of the Manila Pact and added that, in case of an invasion, 'the United States response will be equivalent to the circumstances of any Vietnamese incursion into Thailand'.[24] The danger of an outbreak of hostilities sparked by incidents along the Thai-Cambodian border has, if anything, been heightened. Thailand continues to offer sanctuary and to supply Chinese and American weapons to remnant Khmer Rouge forces struggling against the Vietnamese. Vietnamese forces have, in turn, crossed into Thailand in hot pursuit of Khmer Rouge units though the numbers involved have been, reportedly, small. For Thai leaders current trends appear menacing but the prospect of increased American interest or involvement in the region offers some, if uncertain, reassurance. Despite the difficulties that would attend practical utilization of the Manila Pact, it does represent an American security guarantee to which there is no comparable alternative. As a lingering commitment the Manila Pact has not been tested in the post-Vietnam war era. On the other hand, Thai leaders may realize that its significance as a deterrent arises from this very fact.

[23] *Xinhua*, 2 November 1979. [24] *The Straits Times*, 31 October 1979.

The ECOWAS Treaty: inching towards implementation

R. I. ONWUKA

THE Treaty of the Economic Community of West African States (ECOWAS) was signed on 28 May 1975 by 11 heads of state and four plenipotentiaries representing 15 West African States.[1] With the successful formation of the Community there was a unanimous sense of satisfaction among the protagonists of regional economic integration, particularly those in government and diplomatic circles in Nigeria and Togo, the pioneers of ECOWAS. In the words of Ghana's (subsequently executed) Head of State, General Ignatius Acheampong,

> the major purpose of the formation of the Community was to remove centuries of division and artificial barriers imposed on West Africa from outside, and to recreate together the kind of homogeneous society which existed before the colonialists invaded our shores.[2]

The hesitant movement towards the realization of the ideals set out in the treaty has been described by optimists as 'cautious' and 'normal', while others have seen the long delays in implementing its provisions as signs of a 'retreat', a 'backward linkage process' or just 'stagnation'. This article looks at the reasons that have impeded progress so far and examines the fundamental steps already taken to implement the treaty.

ECOWAS is a monosectoral organization in the sense that the member states centrally commit themselves on economic matters with no view towards political integration as is the case with the European Economic Community (EEC). The ECOWAS Treaty aims at the general elimination of customs duties and quantitative and administrative restrictions on trade over a period of 15 years. Within the same period, it intends to establish a common customs tariff; free movement of persons, services and capital; and the harmonization of agricultural, economic, industrial and monetary policies of the member states (Article 2). The founding fathers of the Community envisaged the emergence by 1990 of a Common Market, where restrictions not just on trade but also in other areas would be eliminated.

The following major organs are crucial for the implementation of these objectives: the Authority of Heads of State and Government, the Council of Ministers, Four Specialized Commissions, the Tribunal, the Executive Secretariat and the

[1] Benin, The Gambia, Guinea-Bissau, Guinea, Ghana, Ivory Coast, Liberia, Mauritania, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo, Upper Volta; the Cape Verde Islands later acceded to the Treaty.

[2] A. Adedeji, 'Towards collective self-reliance in West Africa: ECOWAS and beyond' in *Regional Co-operation in Africa: Problems and Prospects* (Nairobi: African Association for Public Administration and Management, 1977), p. 54.

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Fund for Co-operation, Compensation and Development. Of these, the Authority is the most powerful legislative arm, in that it makes the major rule-creating decisions which are 'binding on all institutions of the Community' (Article 5). The ECOWAS Council is akin to the EEC's Council of Ministers in that both comprise the Ministers of Foreign or Economic Affairs who meet at regular intervals to co-ordinate the behaviour of member states. The Four Commissions are the executive branch of the Community, in that they offer recommendations, formulate policy options, prepare reports and make necessary studies. Their powers are not comparable with those of the Commissions of either the Andean Group or the European Community. The Fund is to ECOWAS what the Central American Bank for Economic Integration is to the Central American Common Market. Through the financial institutions, investment and compensation to member states who suffer losses are financed.

Trade liberalization and free movement of persons

Recorded intra-West African Trade as a percentage of total external trade has been consistently low—only 2·1 per cent in 1973.[3] To foster inter-state trade, the liberalization of the existing restrictions on trade is to be realized in three stages: in the first two years, although elimination or reduction of import duties are not strictly required, there will be no new imposition or increase in existing ones; in the succeeding eight years, there will be progressive reduction and ultimate elimination of import duties according to a schedule recommended to the Council by the Commission; this is to be followed in the next five years by the gradual elimination of existing differences in external customs tariffs of member states and the establishment of a 'common customs nomenclature and customs statistical nomenclature for all the Member States' (Article 13 of the Treaty of ECOWAS).

It was two years before the Trade, Customs, Immigration, Monetary and Payments Commission recommended to the Council 'that the Executive Secretary be authorized to arrange for research to be conducted into Customs nomenclature, the structure of Customs Tariffs and Trade flows as a preliminary step towards the eventual elimination of tariffs on intra-Community trade and the harmonization of the customs tariffs of Member States of the Community.'[4] The Commission also suggested that the study should be completed by the end of 1977. At the April 1978 Lagos meeting of the Authority, the Heads of State adopted 28 May 1979 as the effective date for Customs Tariff Consolidation in accordance with Article 13(2) of the Treaty.[5] Thus at its May 1979 meeting in Dakar, Senegal, customs duties within the Community were frozen with immediate effect for the next two years.[6]

Why did it take four years to implement the first stage of trade liberalization under the treaty? The reasons for this delay are easy to identify. For the greater part of the inceptive years the Community was preoccupied with institutional

[3] See Ade T. Ojo, 'Central banking systems and the ECOWAS Treaty' in *Papers on ECOWAS* (Lagos: Nigerian Institute of International Affairs, 1976).

[4] ECOWAS Documents, ECW/TC/MPC(1)8, ECW/CM/(1)/9A, Lagos, June 1977.

[5] ECOWAS *Final Communiqué*, Lagos, April 1978.

[6] *Business Times* (Lagos), 5 June 1979, p. 1.

problems, which in themselves were politicized. For example, decisions on the appointment of some key-posts, conditions of service and staffing requirements, Community budgeting and the capitalization of the Fund for Co-operation, Compensation and Development, and the conditions for free movement of people within ECOWAS were problems which generated more controversy than anticipated.

Free movement of persons within the Community is one of the touchy issues that is likely to take time before it is completely implemented. Although the citizens of the member states are regarded as 'Community citizens', the elimination of any obstacles to their freedom of movement and residence, such as visitor's visas and residence permits, is to be carried out by agreements between the states concerned. This also applies to Community citizens wishing to undertake commercial and industrial activities within another's territory (Article 27).

The Final Communiqué of the Lagos meeting contained no details on the issue of free movement of persons, although the Authority decided in principle to adopt a multilateral agreement on free movement within the Community and directed the Council to prepare another text for consideration at the next summit. At the 1979 Dakar meeting the Authority decided that citizens of member states would no longer need visas before entering another country within the Community for a period not exceeding 90 days, but decision on the crucial issue of the right of residence of a 'Community citizen' was postponed. The 1979 decision will not change the pattern of movement of persons within the French-speaking, sub-regional Communauté Economique de l'Afrique de l'Ouest (CEAO). There is a growing feeling among some Nigerians that their country is bound to suffer from any liberalization of restrictions on the movement of persons because of the relatively higher wage structure and possibly better opportunities for jobs in Nigeria. An appraisal by an observer maintained that 'if the influx into Nigeria continues and it becomes clear that Nigeria is merely paying the ECOWAS piper without knowing what tune to call, this is likely to further weaken the already weak domestic support for the Community in this country.'[7] The accusation that most of the robberies in, and smuggling of goods into Nigeria, are carried out with the collaboration of the citizens of the neighbouring countries shows how reluctant Nigerians are to accommodate the influx of other ECOWAS citizens into their country. Nevertheless, there can be no doubt about the Nigerian Government's eagerness to maintain an 'ECOWAS consciousness'. This was demonstrated in Nigeria's and Benin's prompt waiving of transit visas for ECOWAS citizens in keeping with the Dakar decision.

The Secretariat vs the Fund

The controversy between the Secretariat based in Lagos and the Fund stationed in Lomé has been a remarkable feature of the four-year-old Community. This controversy is partly generated by the provisions of the Treaty and partly by the personalities implementing them. The Executive Secretary in the words of Article

[7] A. Gambari, 'ECOWAS: time for national appraisal', *Daily Times* (Lagos), 6 May 1978, p. 19.

8(9) of the Treaty 'shall be responsible for the day-to-day administration of the Community and all its *institutions*' (author's emphasis). The Article does not specifically say whether or not the Fund is included in the institutions referred to. It was the understanding of the officials in Lomé that the Fund constituted an autonomous branch of the Community not under the direct control of the Secretariat. In seeming contradiction to Article 8, and in support of the feeling of the officials in Lomé, the Protocol relating to the Fund (Art. 28 (7) and (8)) regards its Managing Director as its 'legal representative' and 'Chief Executive who shall be responsible for the organization, appointment and dismissal of the officers and staff in accordance with regulations made by the Board of Directors'. The Treaty thus ambiguously delimited the functional areas between the Executive Secretary of the Community, Dr Aboubakar Quattara of the Ivory Coast, and the Managing Director of the Fund, Dr Romeo Horton of Liberia. The question as to who had overriding control over the Fund remained a bone of contention between the two officials.[8] As this threatened the functioning of the Community at large, the Council had to step in.

In its second session held in Lagos in July 1977, the Council tried to resolve the differences between the two 'chief officers' by listing eight directives which would guide the future relationship between the Head of the Secretariat and the Director of the Fund. The Council's guidelines unequivocally confirmed that the Executive Secretary was the head of the administrative hierarchy of the Community. They nevertheless conceded to the Fund's Executive Director 'considerable autonomy in the day-to-day administration of the Fund',[9] although his activities were to be co-ordinated with the entire Community by the Executive Secretary. The Council also directed that there should be increased communication flows and exchanges between the Secretariat and the Fund, and specifically between their respective Heads; and that the meetings of the Board of Directors of the Fund should always precede those of the Council which should ensure that a good working relationship existed between the Community's two leading institutions. To promote effective liaison between them, the Financial Controller at the Secretariat should also serve as an internal auditor of the Fund.[10]

However, the Council guidelines did not completely resolve the issue and the controversy continued unabated. In 1979, after setting up an inquiry committee under Alhaji M. C. Cham, The Gambia's Minister for Economic Planning, the Community, in the words of President Moussa Traore of Mali, 'decided not only to relieve the Director-General of the Fund of his post because of the mistakes he had made, but also to re-examine the structures of our organization in order to make it more operational and effective'.[11]

Dr Horton was dismissed for three obvious reasons. First, there had been criticisms of the absence of adequate financial records for the Fund's work and irrational recruitment policies. Second, there was a clash of personalities: where Dr Horton is large and forceful, Dr Quattara is quiet and diplomatic.[12] Thirdly, it

[8] *West Africa* (London), 26 February 1979, pp. 333–4.
[9] ECOWAS, Report of the Council, July 1977. [10] *ibid.*
[11] *West Africa*, 11 June 1979, p. 1015.
[12] *ibid.* The author has interviewed the Executive Secretary several times.

seemed a rational integrationist policy to remove an English-speaking Executive rather than a French-speaking official whose country is a member of CEAO— a coherent group half-heartedly participating in ECOWAS. Any charges against Quattara, a national of the Ivory Coast, which is a member of CEAO, could easily be rebutted by the CEAO group within ECOWAS.

Generally, the staffing of the key posts hung fire because of the controversy it generated. The scramble for positions became a major political issue. Thus the decisions on the highest jobs were made two whole years after the signing of the Treaty: two deputy executive secretaryships went to Guinea and Ghana respectively, the post of Financial Controller to Nigeria, that of Deputy Managing Director of the Fund to Benin. There was further delay over the hiring of other influential technocrats (directors, divisional heads and administrators) because of the difficulty of reconciling the diverse national interests of member states. The delay in recruiting the necessary staff meant that the secretariat was overburdened with responsibilities, and piles of undigested studies that required expert scrutiny were left unattended in Lagos and Lomé.

Financially, the Community has been functioning precariously because contributions have always been paid behind schedule. The approved capital of $500 m was said to be adequate for the operation of the Fund's responsibilities; but by March 1979, the member states had not fully paid up their dues to the Fund's capital and budget. By October 1979, they had contributed only about 22 m. Naira, from which investment 2·5 m. Naira interest was realized.[13] Because of the Fund's poor financial position, Dr Horton had been authorized, before his dismissal, to raise $1,000 m. or the equivalent in Euro-money markets.[14]

Concrete action on the important issue of improving transport and telecommunication links between member states was delayed not only by insufficient information and data on the subject but also by lack of funds necessary for implementation. By 1977, the Commission for Transport and Telecommunications had completed studies co-ordinated by the Executive Secretary on three main areas, namely, internal networks which are inseparable from inter-state and international networks, practical arrangements necessary for the setting up of African transit centres, and short-term solutions for links between states. Having passed this research stage, the Authority decided at its Dakar meeting that 'an improvement and extension programme for the telecommunication networks' be carried out, but charged the Executive Secretary 'to propose the means by which the programme may be applied'.[15] An ad hoc committee of the Pan-African Telecommunications Project (PANAFTEL) comprising Nigeria, Togo and Benin had, by November 1979, undertaken studies on the existing telecommunications equipments and tariffs in ECOWAS states.[16] It is hoped that a transfusion of funds from the EEC and international financial institutions will help in the implementation of the telecommunication projects.

[13] *New Nigeria* (Kaduna), 30 October 1979, p. 1.
[14] *West Africa*, 19 March 1979, p. 481.
[15] *Final Communiqué* of the May 1979 conference of the Authority in Dakar.
[16] *New Nigeria*, 15 November 1979.

Defence, Nigerian Influence and CEAO

The Treaty makes no express provision for co-operation in defence matters. This notwithstanding, a Protocol on non-aggression was deemed necessary from the start because the provisions establishing the Tribunal, which do not make the acceptance of the Tribunal mandatory, were regarded as inadequate to secure political stability in the region. Emphasizing the need to ensure the right conditions for the transformation of the economies of member states in the area, the Nigerian Head of State, General Obasanjo, said: 'The Community we are trying to build would, given time, enable us to achieve structural transformation of our economies, and political stability within our sub-region.'[17] It would seem that the ugly experiences of the East African countries, the boundary disputes and the activities of irredentist and modernizing military groups in West Africa have persuaded the Heads of State that it was in their individual interests to discourage any acts of aggression between the states. On the Nigerian side, it was necessary to convince the other members of the Community that the country's relatively large military resources are not aimed at any Community member.

Further steps were taken at the Dakar meeting towards the establishment of a pact for working out common West African defence policies. The Conference of the Authority charged the President of the Council of Ministers and the Executive Secretary 'to convoke a meeting of the technical commission composed of Foreign, Defence, Finance and Economy Ministers as well as the Chiefs of Staff to examine the two documents [submitted by Togo and Senegal] and to submit a project harmonizing the Defence Pact at the next summit'.[18] The CEAO states which in 1977 had signed a non-aggression pact, in October 1979—after the Dakar meeting, and shortly after an invasion of Zaire's Shaba province—decided to 're-affirm their willingness to continue co-operation within the framework of the agreement which could be extended to include other [ECOWAS] states in the region'.[19] It is too early to speculate on the future of the intended pact. One obvious obstacle is the active dislike of West African leaders for any supra-national agency, military or political, that would compromise their national sovereignties. Another problem is the various existing defence pacts between France and some of its former colonies in Africa.[20] (It was under a similar agreement that a French peace-keeping force was sent to Chad during its civil war, contrary to the wish of the Nigerian authorities.[21])

Over the four years since the formation of ECOWAS, Nigeria's influence in Africa has increased in intensity and significance. This has earned it some criticism, particularly among the CEAO states who view Nigerian expanding influence in Africa with suspicion. Thus Nigeria's peace-keeping role in Chad was received with mistrust and even hostility by the CEAO states and France. At the meeting convened in Lagos to reconcile the feuding Chadian factions, the Senegalese dele-

[17] *West Africa*, 1 May 1978, p. 831. [18] *ibid.*, 18 June 1979, p. 1067.
[19] *New Nigeria*, 22 October 1979, p. 16.
[20] L. Adamolekun, 'Co-operation or Neocolonialism—Francophone Africa', *Africa Quarterly*, Vol. XVII, No. 1, July 1978, p. 16.
[21] For background see Julian Crandall Hollick, 'French intervention in Africa in 1978', *The World Today*, February 1979.

gate challenged the conclusions of the Lagos statement which condemned the N'Djamena government as illegal.[22] The withdrawal of the Nigerian Peace-keeping Force in Chad not long after marked the failure of Nigeria's attempt to replace France's military role in Francophone Africa since the signing of the Lomé Convention, and was a remarkable victory for France and the CEAO states. Over the four years since the signing of the ECOWAS Treaty, the challenge posed by the CEAO has not diminished, especially when the two organizations cross paths in pursuing similar objectives.[23]

What efforts have been made to ensure that the CEAO does not 'derogate from the provisions of the ECOWAS Treaty' as stipulated in Article 59? There have been increased flows and exchanges between the two competing organizations in general and their administrative heads in particular. For example, there are always CEAO representatives at each crucial meeting of ECOWAS; with continued interaction between the two organizations, ECOWAS could benefit from the experience of the CEAO. Nevertheless, the CEAO has been making decisions which reaffirm its individuality and in most cases release forces of competition rather than promote complementarity with ECOWAS. With ECOWAS in existence, CEAO members seem to be shedding their internal bickerings, and now meet more often than they used to. And to emphasize the role Senegal plays in Francophone Africa, the West African Monetary Union (UMOA) recently transferred its common Central Bank of West Africa (BCEAO) from Paris, where the Bank was stationed in the last 17 years to Dakar, one of the leading members of the CEAO. CEAO intends to achieve 'a real common market' by 1990, when ECOWAS, too, is scheduled to realize fully its trade liberalizations. CEAO's institutions are as lively as ever. Its Development Fund has been promoting various programmes while the newly created Solidarity and Intervention Fund for the Community Economic Development (Fosidec) became operational from mid-1979, with contributions expected to reach 6·5 billion CFA francs by the end of the year. The Community's Bureau for Industrial Development (BCDI) with a three-year budget (1979–81) of 864 m. CFA francs, has made several studies on solar energy and phosphate processing. On the whole, the CEAO's budget between 1974 and 1979 has quadrupled from 750 m. CFA francs to 3,231·5 m. CFA francs while its capital investment has been increased five times.[24] All these factors lead to the uneasy conclusion that, while the CEAO is willing to co-operate with ECOWAS in certain areas, it is not prepared to compromise its existence at all costs.

To sum up, during the first four years, the Community of West African States has been preoccupied with staffing, undertaking studies and carrying out 'rule-creating decisions' necessary for its institutionalization. A few positive decisions have been made on such issues as liberalization of trade and free movement of persons. The defence pact, a non-treaty issue, has emerged as important because member states expect such a pact to be a safeguard against political instability in

[22] 'Nigeria-France conflict looms in Chad', *West Africa*, 11 June 1979, pp. 1016–17.

[23] For links between ECOWAS members and other regional associations and third countries, see R. I. Onwuka in *West Africa*, 10 October 1977, pp. 2078–9.

[24] *West Africa*, 17 December 1979, p. 2355.

the sub-region. As General G. Eyadema, President of Togo, said at the Lagos summit conference of 1978: 'ECOWAS has continued to grow: it has passed from birth to the uttering of its first words, and it has taken its first hesitant footsteps; we can say with pride that the new-born babe of yesterday is now able to walk on its own.' Although the Community is really 'walking', its legs are still tender and wobbling and need nourishment. There is still a dire need for capital, highly qualified staff and genuine political will, particularly on the part of the CEAO states, to be able to carry out the objectives of the Treaty.

Senegal in transition

RICHARD J. KESSLER

SINCE independence, Senegal has been among the most pro-Western of African states and also among the most stable. Partly because of its ties with France, including a 1974 defence treaty, it has so far avoided the internal upheavals characteristic of many African states. Now the fear of change and the desire to control it dictate this country's politics and put its pro-West policies into jeopardy.

Senegal has been particularly active in recent years in support of Western interests in Africa. Despite a 5,000-man army and miniscule air and sea forces, it sent troops to both Lebanon and Zaire in 1978 supporting Western-inspired peace efforts. Concurrently, French use of military base facilities in Dakar, Senegal's capital, increased as France responded to guerrilla activities of the Polisario in Mauritania and of the Libyan-supported rebel forces in Chad. On a private visit to the United States in June 1978, Senegal's President, Léopold S. Senghor, called for even greater involvement by the West to counter a growing Russo-Cuban presence in African affairs.

Thus, Senghor's critics view the Senegalese as becoming the surrogate Cubans of the French. Certainly, economic ties with the former colonial metropole are firmer than before independence and the cultural ties are at least equally strong; but politically Senghor has charted his own course, and if he is helping French interests in Africa now, it is because he perceives such aid as being in Senegal's interest.

Senghor's principal aim has been the development of Senegal as a modern state, economically and politically. His approach has been gradualist, avoiding radical solutions, hoping that the spirit of a rational bureaucracy could be inspired through education while a mixed economic system with public, private and semi-private enterprise would take root with heavy infusions of foreign aid and investment.

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Economic problems

Economically, there have been mixed results. Despite attempts at diversification, Senegal is heavily dependent on peanuts for its export earnings. Moreover, the government-owned company controlling peanut marketing (*Office National des Coopératives et d'Assistance du Développement*—ONCAD) is riddled with corruption and almost universally hated by the peasants that produce for it. Some of Senegal's economic problems are beyond its control. Weather is the critical variable in determining agricultural production. A season of low and inadequately dispersed rainfall during the 1977–8 harvest meant that peanut production fell 50 per cent below 1976–7 output. The 1978–9 season was more productive with a near record 900,000 metric tons of peanuts and there are hopeful signs that this year will again be satisfactory. Despite this, some international economic advisers in Dakar are privately predicting a fall in world groundnut prices in the middle term. With few natural resources other than phosphates, and minimal rainfall, Senegal will continue to depend heavily on foreign aid and investment to meet its development goals.

Development remains an illusive objective. The immediate promises of improved living standards after independence have not come true for the majority of the population, while the Sahel drought has forced an increasing number to flee to the cities, swelling the ranks of the unemployed and contributing to urban unrest. Development remains concentrated in the Dakar region and much of it is controlled by the French. The government is moving slowly to decentralize development, but there is little infrastructure and few resources to attract investment elsewhere in the country. With his passing, Senghor's policy of gradual development relying on foreign investment and foreign technicians will be quickly called into question.

Slow political advance

Politically, there have been new openings. With no real opposition since the 1963 election, when violence led to the imprisonment of opposition leaders, Senghor is attempting to reconstruct a competitive political system. A change in Senegal's Constitution in April 1976 allowed for the establishment of three parties. By law, these were required to choose one of three ideological options: liberal, socialist, or Marxist-Leninist. Senghor's party, renamed the *Parti Socialiste* (PS), reserved for itself the middle-of-the-road, majority option of socialism. The newly formed *Parti Démocratique Sénégalais* (PDS), led by lawyer-economist Abdoulaye Wade, became the 'liberal' opposition but quickly began referring to itself as 'worker-socialist'. The Communist party, *Parti Africain de l'Indépendance* (PAI), outlawed since 1960 but now legalized, is led by pharmacist Majhmout Diop, returning from 16 years in exile. In a country in which over 80 per cent of the population is Muslim, the Communist party is given little chance of succeeding. The PDS, struggling to discover its identity within rigid constitutional confines while led by disaffected former PS members, is finding it equally hard going.

Elections held in February 1978 were the first in 12 years based on proportional representation. Jointly held for the presidency, legislature and municipalities, they

appeared to confirm the failure of the new multi-party system to inspire the voters. Voter registration, particularly in the highly urbanized area of Dakar, was low. Of the 1·5 million registered voters, out of an electorate estimated at 2 million, only two-thirds voted. Wade was Senghor's only opponent for the presidency and this time Senghor won 82 per cent of the vote, compared to 97 per cent when he last ran, unopposed, in 1973. The PS gained 83 seats in the National Assembly, the PDS 17, and the PAI none—ironically an embarrassment to Senghor, as his party's newspaper, *Le Soleil*, the only daily in the country, had predicted that Wade's party would win at least 21 seats. While the elections were marred by instances of corruption, particularly the failure to promote secret ballots, there is no doubt that Senghor and his party would have won significantly, if only because they still control the political organization, the money to finance it and the patronage positions to dispense to party supporters. The new political advances are therefore still tentative and easily reversed.

In October 1978 the multi-party system was expanded with the approval, by constitutional amendment, of the *Mouvement Républicain Sénégalais* (MRS). Led by a former President of the National Assembly, Boubacar Gueye, the MRS is a rightist party calling for Islamic purity, denationalization and free enterprise. Senghor has been carefully encouraging fractionalism on the Right while nurturing the broad middle for himself. Simultaneously, he has isolated the Left by legalizing only the PAI. He sees the greatest threat to his power as coming from the Left.

The illegal leftist opposition is dominated by two groups. The first of these, the *Rassemblement National Démocratique* (RND), is led by Cheikh Anta Diop, a university professor, and draws its membership largely from the Dakar intellectual Left. The second group is the *Coordination de l'Opposition Sénégalaise Unie* (COSU) and was created by the former Prime Minister, Mamadou Dia, as an umbrella organization for several small clandestine factions. Neither group has a large membership and both are limited mainly to the capital region. Also, as with its French counterpart, the Senegalese Left has trouble reaching common ideological agreement.

The major threat posed by the Left has been in providing an alternative to *Le Soleil*. Through a variety of publications, including one satirical journal, *Le Politicien*, modelled on the French *Le Canard Enchaîné*, the opposition has been supplying both inside gossip and detailed criticism of government policy. A new press law which became effective in May 1979 attempts to control these publications. All of them must now be submitted to the government for prior approval and a new quasi-governmental commission may revoke a journalist's press card if it decides that he has not acted 'responsibly'. However, the importance attached to the Left by the government far outweighs its actual or potential influence on policy.

Islamic power base

Outside Senghor's party, the major political force remains the marabouts, the religious leaders of Senegal's three principal Islamic sects. These are the Tidjaniya with about 50 per cent of the Muslim population, the Muridiya with about 30 per

cent and the Qadiriya with 20 per cent. The marabouts of the Mouride sect are the most important politically and economically. The Mourides produce approximately one-fourth of Senegal's groundnuts, both on smallholder farms and on large estates owned by individual marabouts and manned by their followers. A conservative, pro-French force, the marabouts were able to postpone national independence in 1958 and were later a force in the 1962 overthrow of Prime Minister Mamadou Dia whose programme of rural development through co-operatives potentially undermined their traditional power base. During the period of electoral politics in the 1950s, the marabouts were able to increase their power and wealth by trading their influence for favours. The demise of electoral politics in the 1960s weakened their political position. The return to such politics in the 1970s is increasing their influence as power brokers. Senghor holds frequent audiences with marabout leaders, and their diverse economic enterprises, now extending into such areas as transport and commerce, benefit from special tax exemptions, among other favours dispensed by the government.

After Senghor, what?

At 72 Senghor, Senegal's leader since independence, is now one of the elder African statesmen. Believed to be in ill health, Senghor has shared control of government operations with a Prime Minister, Abdou Diouf, since 1970 (following the student and worker riots of 1968 and 1969). Diouf, first appointed to the office at the age of 35, is considered heir-apparent to Senghor, who is not expected to stay out the full term of his current five-year mandate. Diouf, however, has not been able to inspire much popular following. Others mentioned as possible successors to Senghor include Ousmane Seck, the highly respected new Finance Minister, and Babacar Ba. The latter was once Finance Minister and more recently Foreign Affairs Minister until his sudden dismissal from the Cabinet after a surprise shake-up in September 1978. Both Diouf and Seck have reputations as young technocrats, although Seck is more personable. Ba's reputation as a wheeler-dealer may explain in part his removal from Finance and his continued threat to Diouf's authority may account for his dismissal from the Foreign Affairs post. However, his talent as a manipulator and negotiator may be what is needed if Senegal is to survive peacefully Senghor's passing.

It is this question of '*Après-Senghor*' that dominates Senegalese domestic politics. In November 1978, the National Assembly rejected efforts by the PDS to change the Constitution's provisions for a caretaker president in the event of Senghor's incapacity. The PDS wanted the Speaker of the House rather than the Prime Minister to act as interim president. But even if Senghor remains in office until his term ends in March 1983, the period of transition is now in evidence. It is this period of transition to a new generation of leaders that Senghor is trying to control and direct. His present foreign policy is very much a decision taken in the light of domestic political changes.

Foremost is his concern for the continued development of Senegal. Water control is the key to domestic development policy, although control of the development of Senegal's two major rivers, the Senegal and the Gambia, must be

shared with the other states through which they flow. In the case of the Senegal River, this includes Mauritania, Mali and Guinea and in the case of the Gambia River, The Gambia and Guinea. An original member of the inter-governmental group developing the Senegal River, Guinea pulled out after one year due to President Sekou Touré's virulent opposition to Senghor's pro-French policies. In the last year, a rapprochement between Senghor and Sekou Touré has come about through the mediation of Liberia's President William Tolbert. Sekou Touré has moderated his pro-Soviet policies to the point of forbidding Soviet reconnaissance planes to fly out of Conakry. Senegal sent a resident ambassador to Guinea in October 1978. The inter-governmental group overseeing the Gambia River has renewed its membership invitation to Touré. As Guinea contains the head waters of both the Senegal and Gambia Rivers, good relations between Sekou Touré and Senghor are critical. Senghor's fear that radical regimes in Mauritania and elsewhere will endanger the carefully cultivated co-operation that makes development of the two rivers possible is one of the root explanations of his desire to support French intervention in Africa while simultaneously accepting the vice-presidency of the Second Socialist International, securing his credentials as a Third World socialist despite dependence on the French.

Another explanation for Senghor's call for more Western intervention in Africa is his traditional support for the concept of territorial integrity of colonial borders. This policy is based on the fear that disintegration of frontiers in one state along ethnic lines will encourage division in other states, destroying in Senegal a social fabric woven on the principle of equality among ethnic groups. While ethnic origin is officially ignored as a reason for advancement, unofficially it remains important. As the largest ethnic group in Senegal, the Wolof, gains in importance, resentment by other groups is increasing and the danger of inter-ethnic violence may not be far below the surface. It is therefore important for Senegal's internal security that it support the territorial integrity of other African states despite identification with French interests.

Failure to maintain peaceful and co-operative relations with Senegal's neighbours and the collapse of new domestic political openings will mean the failure of Senghor's years of leadership. Should the transition to a second generation of national leaders fail, it will be his vision of Senegalese development that has failed. The possibility of failure is real.

The diversity of social, political and economic forces, all competing for a larger portion of the few resources that exist in this poor country, is sufficient to guarantee the difficulty of any transition. For this reason Senghor is expected to resign, despite disclaimers to the contrary, before the end of his term to ensure the stability of the changeover. In a poor country, politics and economics are closely intertwined. The occasion of a vacuum in power is the opportunity for gaining wealth.

There are at least 15 different ethnic groups in Senegal, including Europeans and Lebanese who control most of the economy. Development has been concentrated mainly in the Dakar region, favouring some ethnic groups over others, especially non-Africans. The swelling unemployed urban population is mainly accounted for by the migration of poorer groups, badly affected by the Sahelian drought,

from the northern and eastern reaches of the country. While most Senegalese are Muslims, the religion as practised has become a conservative, autocratic, semi-feudal system concerned with the enrichment of its priests and the maintenance of the status quo.

There is essentially only one party, Senghor's, but its degree of institutionalization is limited, and it is held together by his adept manœuvring and ability to co-opt or neutralize opponents. With the President's passing, it will only be a matter of time before the struggles for succession make a coup d'état inevitable. Because of the basically conservative nature of the Senegalese political system, a coup will more than likely be controlled by conservative forces within the well-trained and well-equipped army. To date Senghor has managed to balance contending forces to attain a modicum of development. A military government will inspire further political polarization and the society will suffer the resulting conflict. But no matter whose leadership, Senegal's development problems will remain the same.

Equatorial Guinea: the terror and the coup

SIMON BAYNHAM

ON 3 August 1979 Francisco Macias Nguema, the 57-year-old President of the little-known republic of Equatorial Guinea and one of the twentieth century's most brutal dictators, was overthrown in a coup d'état. Early broadcasts from *Radio Ecuatorial*, the state radio station, announced that Macias had been arrested by his Deputy Defence Minister and nephew, Lt.-Colonel Teodoro Obyang Nguema. Subsequent and more reliable reports from Spanish Foreign Ministry officials monitoring events from Madrid and Gabon said that the deposed President was still holding out with his personal bodyguard at Mongomo, near Macias's home village of Nzeng-Ayong close to the frontier with the Cameroon Republic. The Military Revolutionary Council's appeals for Macias to surrender in order to avert unnecessary bloodshed fell on deaf ears. The 'Man of Iron', as Macias liked to call himself, retreated to a bamboo bunker in his village protected by several hundred loyal troops and three armoured cars.

Following a series of fierce clashes in which approximately 400 people were killed, the ousted leader broke out of his stronghold and retreated towards the Cameroon border. Before that his party went on a rampage in which women and children were raped and killed and in which Macias is reported to have set fire to his secret 'treasury', a wooden hut containing many millions in US dollars and other foreign currencies.[1] According to reliable reports from *El Pais*, the Spanish daily, the dictator fled with a collection of foreign hostages—eight Chinese army instructors, 20 Cuban advisers, a Romanian and a Spaniard—but this was of little avail and he was wounded and captured on 18 August. The naval commander, Florencio Maye, who had been responsible for tracking down Macias announced that he would be detained in prison until his trial. The deposed dictator was tried before a people's military court and executed, together with six of his closest collaborators, on the eleventh anniversary of his election as the state's first president at the end of September. All the accused had been found guilty of mass murder and torture.

While the new military leaders have announced decrees releasing all political prisoners and most signs point to the local popularity of the coup, exiled groups have yet to commit themselves fully to the new regime. Some prominent refugee leaders have pledged their support for the Military Revolutionary Council but many others, including the former Ministers Antonio Ondo and Miguel Ona, allege that Lt.-Colonel Nguema and other army leaders have been responsible for the killing of several former colleagues and that the coup was merely a 'palace

[1] *Sunday Telegraph*, 12 August 1979.

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revolution'. In Paris, Eya Nchama, leader of the active National Allia Democratic Restoration exile group, has claimed that the new administrat not released political prisoners as announced. Nchama has promised coi opposition from his organization unless certain minimal constitutional pro are implemented.

Exiled opposition leaders in Madrid were quick to take control of the torial Guinean Embassy, but there is no suggestion of Spanish complicity coup. Strongly denying any involvement in the rebellion, the Spanish Gove has, nevertheless, admitted to prior knowledge of the plot. It is virtually that several other diplomatic missions, including that of the United State also approached beforehand and that promises of financial assistance reconstruction of the country's tottering economy were forthcoming. Medi food supplies from Spain and similar emergency aid from the Europear munity were promptly dispatched to Equatorial Guinea. Arrangements ha been concluded for the restoration of the country's communications syste fishing industry by Spanish engineers and technicians.

Western intelligence sources believe that Cuban soldiers—who constitu bulk of Macias's palace guard and who were largely responsible for train armed forces—were almost certainly embroiled in the plot and probably d their posts to aid the rebels. Rumours of a similar, but abortive, revolt a earlier also implicated the Cuban bodyguard. It is still difficult to determi the Cubans abandoned the dictator.

The country and its early history

Known until 1963 as Spanish Guinea or the Spanish Equatorial Regic independent African state consists of the mainland province of Rio Mu island province of Fernando Poo (renamed Macias Nguema by the Pres and the smaller islets of Annobon, Corisco, Elobey Grande and Elobey C the Gulf of Guinea. Continental Rio Muni is a forest enclave bordered by roon in the north and by President Bongo's Gabon (with which there has long-standing border dispute) in the east and south. The island of Fernan lies about 125 miles north of the mainland and houses the capital of the re Malabo (formerly Santa Isabel)—a city with one of the most inhospitable cl in Africa. In 1960 approximately 7,000 of the country's 250,000 inhabitan Europeans. Since then, for reasons outlined below, the population of both and whites has suffered a serious decline.

Ethnically, the country is dominated by the Fang, an evocative and appr name for the tribe which has produced a tyrant at least as bloody and opp as Uganda's Amin or Ethiopia's Mengistu. The Fang, who constitute about cent of the population, have dominated the area since their migratior present-day Cameroon in the middle of the eighteenth century. They are a d acquisitive people whose traditions tell of a compact with the pygmies who them how to survive by war and hunting. The other main coastal tribe Bujeba, Balengue and Kombe—have been forced towards the sea by pressure, while the original inhabitants of Fernando Poo, the Bubi, hav

largely subjugated by their Fang compatriots who now dominate the civil and military services.

Cocoa is exported from the island province, and timber and coffee from Rio Muni. Other exports are bananas, palm oil, cassava and fish. However, the country has never been self-supporting, and until 1968 Spain provided almost three-quarters of its revenues.

Spanish control of the coastal enclave of Rio Muni dates from the 1900 Treaty of Paris when the province's borders were formally delineated. Fernando Poo came under Spain's rule at the end of the eighteenth century. On 30 July 1959 the colony was made an integral part of Spain, and following the 1960 election the two provinces returned six representatives to the Cortes in Madrid. As a result of a plebiscite held on 15 December 1963, a limited form of self-government was introduced and a Spanish High Commissioner replaced the Governor-General. But this measure failed to assuage nationalist demands for total independence from the metropole.

Several political groups emerged, the main ones being the Marxist-influenced *Idea Popular de la Guinea Ecuatorial* (IPGE), and the *Movimiento Nacional de Liberación de la Guinea Ecuatorial* (MNLGE, subsequently MONALIGE) led by Atanasio Ndong. The leaders of these more radical parties took refuge in neighbouring states, leaving the path clear for a group of moderate nationalists under the control of Bonifacio Ondo Enu's *Movimiento de Unión Nacional de la Guinea Ecuatorial* (MUNGE). Enu's autonomous government remained in power from mid-1964 to 12 October 1968 when Spain finally gave in to black nationalist aspirations and United Nations pressure and granted independence. In the independence elections on 22 September 1968 Enu was defeated, and after a bitter struggle between Ndong and Macias the latter became the first president of Equatorial Guinea.

Although Ndong was given the Foreign Ministry as a conciliatory move on the part of Macias, he was not content with his lot. In March 1969 the signal for a decade of political violence came in the form of a Ndong-inspired revolt against the President. The putsch aborted and Ndong and several accomplices were captured and executed. Spain was accused of complicity in the coup which resulted in anti-white incidents in Rio Muni and a mass departure of the majority of European residents. Not long after, on 2 February 1970, Macias consolidated his political position by fusing all parties into the *Partido Unico Nacional* (PUN) under his presidency and assuming most of the powers of the former rival leaders.

The reign of terror

Even prior to the forceful imposition of a one-party state in 1970 and Macias's self-installation as Equatorial Guinea's President for Life the following year, the country was already on the road to a systematized reign of terror. An absolute dictatorship was established in which the 1968 Constitution was suppressed, citizens were deprived of the right to vote, Christian churches were persecuted and 'kangaroo courts' dealt swiftly with political suspects.

The first serious reports of repression trickled out of the country with political

refugees fleeing to Cameroon, Gabon and Spain.[8] By Christmas 1974 the refugees had compiled a list of more than 300 individuals who had been executed since 1968 by order of President Macias. The first to be arrested and killed were 11 members of the autonomous government which had ruled the country before independence from 1964 to 1968. Subsequent purges involved 22 members or high officials of Macias's own government; nine members of the National Assembly's 35 elected deputies; five members of the state's two Provincial Councils; two of the six members of the Council of the Republic (a high advisory body created to mediate in disputes between the executive and the legislature); 67 civil servants; at least two dozen army and police officers and NCOs, as well as an indeterminate number of businessmen, students, farmers and traditional chiefs. Among the more prominent victims were Jesus Oworo Ndongo, Minister of Justice (killed in May 1971); Expedito Momo Bocara, Ndongo's successor at the Justice Ministry (executed in May 1974); and Roman Toichoa, Minister of Labour (killed with Bocara in May 1974). Gustavo Bueco, ambassador to Cameroon and Equatorial Guinea's highest ranking career diplomat, was killed during a visit home in 1971.

Macias's system of political terror continued to accelerate throughout the period 1974–9, concentrating particularly on the minority Bubi tribe and—with dire effects on the economy—on the Nigerian contract workers (mainly Ibo, Ibibio and Efick) employed on the cocoa estates of Fernando Poo. Long-standing friction between Nigerians, who worked the plantations under a treaty between Equatorial Guinea and Nigeria, and local workers flared into violence in November 1972 when at least 60 Nigerians were killed in a clash with the authorities.[9] Diplomatic relations between the two countries almost reached breaking point in January 1976 when Guinea militia killed 11 Nigerian workers accused of political subversion in the grounds of the Nigerian embassy. Nigeria, angered at the brutal treatment of its citizens by disorderly troops and corrupt government officials and having failed to prevent a recurrence of beatings and killings involving its nationals, replied by evacuating most of the 40,000 or so Nigerians in ships and Air Force transport planes.

Many members of the Bubi tribe also attempted to flee the country by clandestinely joining the stream of Nigerian evacuees. Their exodus followed a series of mass arrests, imprisonments and beatings unleashed on the Bubis who include many of the country's educated intellectuals. Several years of repression and terror had already forced thousands of Bubi tribesmen into exile in adjacent African states. Many of them, including two of Macias's Cabinet ministers (Miyono and Toichoa), were unable to escape and were murdered.

During his last three years in power Macias was responsible for the deaths of several more Cabinet ministers and many others who were accused of planning movements to oppose his rule. He appeared to be engaged in a systematic attempt to deprive the minority tribes of power—particularly the Bubi group who have borne the brunt of Equatorial Guinea's horrors—in favour of his own ethnic group, the Fang.

[8] *The Times*, 24 December 1974.
[9] See the report in *The Guardian*, 13 November 1972.

Numerous reports from exiles, Amnesty International,[4] the World Council of Churches' *One World* and other journals and institutions recount well-documented and blood-chilling stories of slow death by starvation and disease and hideous tortures in the prison camp at Bindung (Rio Muni) and the even more notorious Blabich prison at Malabo (Fernando Poo). One former Blabich detainee—one of the very few fortunate enough to survive—reported that during his four years in prison from 1971 to 1975 he counted 157 prisoners beaten to death with metal rods outside his cell. Some of the victims were hanged publicly to the strains of Mary Hopkin singing 'Those were the days'. In 1977 the populations of two villages, Mbe and Ekokete in the Micomeseng region, were slaughtered by troops following a confrontation between soldiers and local people in which two soldiers had been killed.

Slave labour was also a hallmark of President Macias's despotic regime. Macias forced girls, aged between 14 and 20, to work without pay on his private farm and coffee plantations in his native district of Mongomo. Many of them were made to submit to African and Cuban members of the presidential guard and the local militia.[5] The use of young girls as forced labour was not new: in 1975 the President had ordered his troops to round up able-bodied young women and take them to Fernando Poo to harvest the cocoa crop. Whole families had at that time escaped across the frontier to Gabon and Cameroon to save their daughters from exploitation and degrading sexual abuse.

By the time of Colonel Teodoro Nguema's coup last August President Macias's 11 years of rule had resulted in between 35–50,000 deaths, with at least one quarter of the country's 350,000 estimated population in exile. Exiles in Madrid claim that Macias is responsible for as many as 80,000 deaths. According to political refugees in Madrid, Yaoundé and Libreville, Equatorial Guinea's professional and administrative class had been almost entirely eradicated. Only two doctors remained in the country, one of whom, a psychiatrist, was employed to treat Macias for an assortment of mental disorders.

Supporters and accomplices

In his purposeful policy of selective genocide West Africa's latter-day Caligula was aided and abetted by 200 Cuban soldiers and advisers (as well as a few Chinese) who were responsible for training Macias's paramilitary forces and personal bodyguard. Like Angola, Mozambique, Guinea-Bissau and Ethiopia, Equatorial Guinea has figured in the Soviet Union's strategic thinking for at least a decade. One of the major tasks of the large Soviet embassy on Fernando Poo is the direction and servicing of Soviet spy-trawlers in the Atlantic and the Cape—part and parcel of Moscow's wider hegemonic ambitions to gain control of the petroleum and metal deposits of southern Africa and enhance its presence on the south-Atlantic trade routes, the lifeblood of the Western democracies.[6]

[4] Especially *Amnesty International Report 1978* (London: Amnesty International Publications, 1979).

[5] *The Times*, 12 July 1977.

[6] The expansionist manœuvres of the Soviet Union in southern Africa are discussed in more detail in my article 'International politics and the Angolan civil war', *The Army Quarterly and*

On the purely domestic level, President Macias's regime rested on the support of the Fang. This tribe has historically owed its spectacular success to its cohesive social organization, based on deep patrilineal segmentary lineages and further cemented through marriage alliances. According to one group of historians,[7] this has made for interlineage co-operation against other tribes and tended to reduce conflict and fighting within the Fang. If this factor is coupled with another characteristic of the Fang—an exaggerated emphasis on the importance of wealth and material possessions[8]—it is easier to comprehend why Macias survived so long. By gaining political power at independence in 1968 Macias could accumulate considerable wealth and patronage. The possession of political power enabled the President to distribute *largesse* and thereby foster the support of his own tribe. All this was done at the expense of the Bujeba, Kombe, Bubi and other minority tribes whose wealth and positions were gradually expropriated by Macias's regime. Politics had nothing or little to do with normative or ideological commitments. As in much of the Third World, politics is primarily instrumental. Once a government is unable to 'perform', in other words to disburse the benefits of office to its supporters and followers, the bonds between leaders and led are dissolved. Allegiance is switched with remarkable alacrity—in the present case to Equatorial Guinea's Colonel Nguema—to the new distributor of state patronage.

Concomitantly, opposition and potential opposition was stifled by the imposition of terroristic state control which manifested itself in public executions, imprisonment without trial, torture and forced labour. As the rule of law became defunct, it was impossible to differentiate between judicial executions and murders carried out by militia men and prison guards acting on the orders of the President.[9]

In view of the fate of many other African dictators, Macias's capacity for survival until last September seems surprising, but it is interesting to record that the coup came at a time of economic recession. Coffee production had been stagnating since the mid-1970s, cocoa exports declined as a result of the persecution and withdrawal of Nigerian workers, while the third mainstay of the economy, timber, suffered due to exhaustion of suitable forests and fading foreign investment. As the economic resources were depleted, the competition for political power and associated material rewards warmed up. Now that the military has directly entered the political arena in the shape of the Military Revolutionary Council, the vicissitudes of West Africa's smallest state are likely to be even more complex.

The role of the military

Experience in the new states of Black Africa shows that once the armed forces have intervened in politics they are likely to move in and out of the barracks to government in successive phases. Each successive usurpation of civilian authority

Defence Journal, Vol. 107, No. 1, January 1977, pp. 25–32. On 1 January 1980 the Soviet 'fishing' lease with Equatorial Guinea was officially terminated. The three highly sophisticated intelligence vessels and the jetty guards have now left.

[7] P. Curtin, S. Feierman, L. Thompson and J. Vansina (eds.), *African History* (London: Longman, 1978), p. 424.

[8] The relationship between wealth and power is so strong that the Fang word *nkukuma*, meaning 'leader', is simply the absolute form of *nkukum*, meaning 'wealthy person'. *Ibid.*

[9] See the discussion on this point in *West Africa*, 5 February 1979, p. 197.

(desirable as it may sometimes be) reinforces the political nature of the military establishment and introduces further instability into the body politic. Additionally, the supplanting of the civilian regime by a military one usually accentuates divisions inherent in the new armies of Africa. The acquisition of a new political role by the armed forces exposes them to unaccustomed political demands and pressures. Outside power groups seek alliance with segments of the miliary élite, and the soldiers find themselves divided in their attachment to civilians to whom, at some future date, they promise the reins of government. Military rule is characterized by conspiracies, plots and counter-coups. The seizure of power destroys the strongest unifying feature of the army but, as Ruth First observes, 'Once shattered, the sanction against a military coup is broken for ever. A major-general or a brigadier who usurps state power must expect to be emulated by a colonel; and what one colonel can do, another can copy...'[10]

Thus all military regimes constantly live under the threat of a counter-coup by disaffected or ambitious soldiers, or by a combination of soldiers and civilians. With such considerations in mind, and given Equatorial Guinea's recent history of conflict and bloodshed, it is not easy to envisage a peaceful future or to be confident about the present junta's predictions of stability. Nevertheless it is equally difficult to imagine the emergence of a regime as brutal and callous as that of Francisco Macias Nguema. It is to be hoped that this former Spanish colony will never again be dubbed 'Africa's concentration camp' and that, if it were, the Organization of African Unity would divert a little more of its time and energies than hitherto to the barbarities perpetrated on its doorstep. That the military are likely to remain permanent contenders in the whirlpool of Equatorial Guinean politics is underlined by Lt.-Colonel Nguema's warning that no political parties would be permitted again. 'For eleven years politicians have made a mess of everything', he told *El Pais* in an interview, '[from now on] the military will oversee everything and will always be at the head of the country...'[11] Nguema's views are unlikely to be endorsed by exiled groups who have for long waited to make their debut on Equatorial Guinea's political stage. *Quis custodiet ipsos custodes?*

[10] *The Barrel of a Gun: Political Power in Africa and the Coup d'Etat* (London: Allen Lane, 1970), p. 437.

[11] Quoted in *West Africa*, 27 August 1979, p. 1577.

Elections and parliamentary democracy in Botswana

JOHN A. WISEMAN

ON 20 October 1979 the electorate of Botswana went to the polls to elect a new parliament. Voters were invited to choose not just between alternative candidates but between four different political parties. Until quite recently most observers, faced with the proliferation of single-party and military governments, had tended to write off the multi-party system as having little importance in Africa. With the re-adoption of multi-partyism by countries like Nigeria and Ghana this view obviously stands in need of some revision. However, what marks Botswana off from them is the fact that its competitive party elections in October mark an unbroken run of this type of contest since 1965, the year before the country became independent. Thus, whilst to operate a multi-party system in Africa may not be so unusual these days, to have sustained one since independence remains a rare achievement. In sub-Saharan Africa only the small West African state of The Gambia shares this record with Botswana.

Botswana has had elections in 1965, 1969, 1974 and now in 1979, each of which has been contested freely by more or less the same political parties. The observer has thus been able to see the changing fortunes of the parties and their support bases over a longer period than is possible in most other African states. Although my later analysis of the 1979 results seeks especially to note changes since 1974, the understanding of the significance, or otherwise, of these changes is undoubtedly enhanced and put into perspective by the more extensive run of preceding elections and results.

Parties and politics[1]

Although party politics has survived longer in Botswana than in almost all other African countries, it started later than most. The first real political party was the Botswana People's Party (BPP) which was formed in 1960. Its early history was marked by considerable factional squabbling which produced two significant parties and some minor splinter movements. Emerging from the original party were a BPP led by Phillip Matante and the Botswana Independence Party (BIP) led by Motsamai Mpho.

Partly in response to the BPP and partly in response to the clear intention of the British government to decolonize in the near future, another political party was formed in 1962, largely on the initiative of Seretse Khama. This was the Botswana Democratic Party (BDP) which immediately recruited the majority of the Legis-

[1] For a more expansive view see the present writer's 'Multi-partyism in Africa: the case of Botswana', *African Affairs*, January 1977, and 'The opposition parties of Botswana', *Collected Papers Vol. 4*, CSAS, University of York, 1979, pp. 183–193; also R. Vengroff, *Botswana: Rural Development in the Shadow of Apartheid* (London: Associated University Presses, 1977).

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lative Council to its ranks and which from its conception seemed the most likely successor to the British. The pre-independence elections in 1965 underlined this view. The BDP gained 28 out of 31 seats, the remainder going to Matante's BPP. Although the BIP enjoyed considerable support in the remote north-west of the country, it failed, at that time, to win any seats. Thus, the BDP moved into independence in a dominant position which, allowing for some minor setbacks, it has maintained to date.

In 1966 a new opposition party, the Botswana National Front (BNF), was formed. Initially it was an extremely radical grouping but one which failed to achieve any significant support. The situation became more complicated in 1969 when Chief Bathoen of the Bangwaketse resigned his chieftainship and joined the party. Except for a shared dislike of the BDP government Bathoen had little in common with the BNF radicals. His aim was to pressure the government into restoring the considerable power which the chiefs had enjoyed under the colonial system of indirect rule. This somewhat bizarre mixture is still to be found within the BNF today.

The 1969 elections produced the best results to date for the opposition parties. The BPP held its three seats and, up in the north-west, Motsamai Mpho succeeded in the Okavango constituency. The BNF also gained three seats. Significantly all of these were in the Bangwaketse tribal area indicating that it was the traditionalist wing of the party which had the power to pull in the votes. One result of this was that Bathoen succeeded in pushing many of the radicals out of the party. One of the BNF victories was a bitter blow to the ruling BDP. In Kanye, the Bangwaketse tribal capital, Bathoen defeated Quett Masire, the Vice-President of Botswana and second in command within the BDP. To keep Masire in parliament President Khama was forced to bring him in under the 'specially elected' procedure through which the National Assembly (in practice the dominant group within it) can elect a small number of extra members.

Thus, in 1969 the opposition won 7 seats out of a total of 32, one new seat having been created since independence. Retrospectively this appears to have been the crest of the wave for the opposition.

In 1974 the opposition lost two of the seats which it had won in 1969. The BPP lost its Mochudi seat[8] and Quett Masire managed to win the Ngwaketse/Kgalagadi seat, the more marginal of the Bangwaketse seats. Nominating Masire for this seat was a calculated gamble for the BDP. It would have been easy for the party to find him a safe seat well away from Ngwaketse but as Masire is a Mongwaketse this would have been interpreted as 'running away'. Alternatively, to have stood against Bathoen in Kanye would almost certainly have led to another humiliating defeat. In the event the gamble paid off and Masire was able to take the seat from the BNF.

All three elections had shown that the BDP was the only truly national party. The opposition, on the other hand, were seen to have extremely localized support

[8] For a discussion of this particular constituency see John A. Wiseman, 'Conflict and conflict alliances in the Kgatleng district of Botswana', *Journal of Modern African Studies*, Vol. 16, No. 3, 1978.

bases, each one resting on a particular grievance felt locally against the BDP an
articulated by a particular opposition party. Outside their rather narrow areas o
support none of the opposition parties could win many votes.

The 1979 election

In one sense, the build-up to the 1979 election began in 1976. Although the BD
had recorded an impressive series of victories in the three previous elections, bot
party and government were disturbed by the increasingly low turn-out in elections
In 1965 113,000 voted, but in 1969 this fell to 77,000 and in 1974 even further t
64,000 despite the fact that the population showed a steady increase during thi
period. Leaving aside the question of the desirability of high voter participatio
per se, the BDP became worried that, to the extent that its legitimacy was base
on success in elections, this legitimacy would be weakened if the numbers votin
continued to fall. Thus, it was decided early on to devote very considerable effor
towards increasing the total vote. Extensive voter registration campaigns bega
in earnest in 1976 because it was recognized that the old lists were out of date. A
the election drew closer, the government mounted a massive propaganda campaig
through the media using slogans, jingles and cartoons to urge people to vote
Importantly, it should be noted that the propaganda was aimed simply at per-
suading people to cast a vote rather than persuading them to vote for a particula
party. There was also a lengthy series of articles in the *Botswana Daily News* whic
set out to explain, in a similarly neutral way, the procedures of the election. Th
effectiveness of this campaign was reflected in the final results.

On 24 August President Khama dissolved the National Assembly and an-
nounced the date for the election, thus setting in motion the final run-in to electio
day. As in all previous elections, the BDP put up candidates in all constituencies.
The BNF contested 16 (two more than in 1974), the BPP 14 (six more than in 1974)
and the BIP 5 (one less than in 1974). Though there were examples of constituencie
where there was more than one candidate representing an opposition party (despit
earlier speculation that a firm electoral pact might be worked out), the oppositio
was well spread and the BDP had only two constituencies (Kgalagadi and Serow
South) where their candidates were unopposed. In 1974 the BDP had taken fou
seats in this manner. In Botswana a parliamentary election is also a presidentia
election in that each candidate at the time of his nomination has to indicate whic
presidential candidate he will support when the President is elected by parliament.
This time only the BDP and the BNF put up presidential candidates.

Making considerable use of their official party symbols and colours,[3] all partie
launched into their campaigns, that of the BDP being rather more extensive be-
cause of its superior organization and resources. Government ministers wer
especially prominent in the campaign. Khama himself toured less than in previous
elections, partly due to his health and partly due to his frequent trips out of th
country to confer with the leaders of the other front-line states over the Lancaste

[3] BDP symbol, domkrag (a wagon jack), colour red; BIP symbol, black cow on green back-
ground, colour green; BNF symbol, gold key on black background, colour black; BPP symbol,
black star on gold background, colour gold.

House talks on Rhodesia. However, his campaign visits were strategically located; the latter part of his campaign included several speeches in the BIP-held constituency of Okavango. The BDP stressed its record in office (which has been remarkably good) and attacked the opposition, especially the BNF, for trying to import what it described as 'foreign ideologies unsuitable for Botswana'. The opposition attacked the BDP for élitism and warned that if the ruling party won again this would be the last free election, a prediction they have made at every election since independence. Whilst the language of the campaigns was often vitriolic, they nevertheless passed off peacefully. The fact that the elections were fought in a period of severe drought and during a major outbreak of foot-and-mouth disease (a major catastrophe for a country where cattle rearing is the main occupation) appears to have had little effect.

Analysis of the results[4]

The first important point to note is the vast increase in turn-out which reflects the expenditure of government effort to achieve this end.[5] The figures for those voting leaped from the 1974 figure of 64,000 to 134,000: more than twice as many Batswana voted in this election than in the previous one. The percentage of registered voters who actually voted rose from 31 per cent to 58 per cent and there were significantly more registered (230,000 as opposed to 205,000 in 1974).

The increase in votes applied to all the political parties. The BDP, BNF and BPP all more than doubled their 1974 numbers and even the BIP achieved a significant increase. The result of this across-the-board increase was that in terms of the proportion of total votes won by each party the situation was almost identical to that of 1974. The BDP (78 per cent to 75 per cent) and the BIP (5 per cent to [illegible] per cent) slipped very slightly, the BPP remained the same (7 per cent in both [illegible]es) and the BNF (12 per cent to 13 per cent) increased slightly. Thus the steady downward trend of numbers voting that had been exhibited from 1965 to 1969 [illegible] 1969 to 1974 had been completely reversed and the 1979 figure is the highest [illegible]r. The danger that the legitimacy of the system might be impaired by low involvement would appear to have vanished for the moment.

Botswana operates a first-past-the-post, single-member constituency system (as [in] Britain) and thus proportion of total votes gives only a partial guide to success. [Alt]hough the opposition dramatically increased their number of votes and even [sli]ghtly increased their share of the vote, they still lost two out of the five seats they [ha]d held in the previous parliament. Statistically this means that they lost nearly [ha]lf their seats but as the numbers are so small anyway such a figure means little. What is perhaps most important is that the two seats lost both belonged to leaders [o]f opposition parties. Matante lost his Francistown seat and Mpho his in Okavango.

[4] The figures for the 1979 election are taken from the *Botswana Daily News*, 24 and 30 October 1979, which is issued by the government; comparative figures for 1974 are taken from *Report to the Minister of State on the General Elections 1974* (Gaborone: Government Printer).

[5] This would appear to be the major explanation. There were no new political groupings contesting in 1979 which might have aroused new interest. Not only the parties but even most of the candidates were the same as in 1974.

For the BDP the 1979 election obviously represents another overwhelming victory. They picked up 75 per cent of the votes and over 90 per cent of the seats in the National Assembly. Least surprising of all was that Seretse Khama retained the presidency. Once again the party has proved that it is a truly national one in terms of support, because even in those constituencies where it lost the party still attracted significant minority support. An especially pleasing result for the party was the hugely increased majority won by Vice-President Quett Masire in Ngwaketse/Kgalagadi. Many in Botswana see Masire as the natural successor to Khama and whilst his defeat in 1969 undoubtedly dented his political authority the 1974 and 1979 results must have restored it in large part. Supporters of President Khama's policies of non-racialism were heartened by the result in Serowe North where the BDP's white candidate, Mr C. Blackbeard, defeated his opponent with a massive 99 per cent of votes cast. It must be admitted that Serowe North has always been a very safe BDP seat as it is Khama's home village. Another prominent white politician, Mr J. G. Haskins, who had been a member of the Cabinet since independence, was elected to the politically sensitive position of Speaker in the National Assembly after the election. Whilst it would be unwise to make generalized predictions about the future possibilities of non-racialism in other parts of Southern Africa based on Botswana's achievement, that achievement is none the less significant. Finally, any suggestions that the BDP would seriously lose ground in the developing urban areas of Botswana appear totally unfounded at this stage. If such areas are to provide a major growth area for the opposition, as some have predicted, there is certainly little evidence of it to date.

The election results would appear less disastrous for the BNF than for the other opposition parties. It is certainly the opposition party with the largest support base and it did manage to keep the two National Assembly seats which it held prior to the election. Once again it has been demonstrated that it is the traditional wing of the party which has the more reliable electoral support. Both of the seats held by the BNF are in the Bangwaketse tribal capital of Kanye: one was held by Bathoen himself and the other by Mr M. Yane, well known as a 'chief's man'. Even here the latter was run pretty close by his BDP opponent. Perhaps the radical wing can take some crumbs of comfort from the improved performance of Kenneth Koma in Gaborone where he greatly increased his vote over the 1974 figure and came within 700 of the BDP winner. However, even here another important factor has to be taken into consideration. In 1974 Koma's opponent was the redoubtable Willy Seboni, the long-time doyen of Gaborone politics. Seboni did not stand at this election as he moved on to become a Director of the African Development Bank in Abidjan (Ivory Coast) and his massive personality and deft control of machine politics in the capital were hard to replace. His successor, Peter Mmusi, although a much respected man within the party could hardly hope to match Seboni and thus the increase in Koma's vote may be more a reflection on the BDP candidate than an indication of a significant increase of BNF support in the capital. Outside of Kanye and Gaborone the BNF results varied from the unspectacular to the downright derisory and nowhere did they come remotely near to winning further seats. No doubt the radical wing of the BNF will continue to provide noisy

pposition to the government outside Parliament, but the results once again learly show that they have little support in the country at large and that the small NF representation in Parliament is clearly in the hands of the conservatives.

Whilst the BNF appears to be holding its own, the future of the two other opposition parties, where both leaders lost their seats, must now look bleak. K. M. Nkhwa narrowly succeeded in holding his own north-east seat for the BPP, perhaps indicating that in the long run his conscientious constituency work and areful manipulation of ethnic sentiment counted for more with the electorate han Matante's flamboyant, but increasingly empty, oratory. Within a week of he election, Matante was rushed into hospital in Gaborone and died shortly fterwards. Without doubt he has earned his place in the political history of otswana, a fact which was brought out by tributes paid to his memory at his ıneral which included many from his political opponents. As a dramatic spectacle, e debates of the National Assembly will be a shade duller for his going but his al influence in that particular arena was always minimal and his political exit receded his death. Whether the party can keep going with the diligent but rather ck-lustre Nkhwa as its sole parliamentary representative remains to be seen.

If anything, the future of the BIP looks even bleaker. So long as Mpho could tain the Okavango seat the party had a real if limited viability. It still has pport in the north-west (in Maun/Chobe its candidate picked up 1,200 votes and Ngamiland the BIP share of the vote rose from 27 per cent in 1974 to 42 per cent 1979), but it is difficult to see how this can be translated into any national politil significance—although the party did survive after the 1965 election when it o won no seats. Motsamai Mpho will be missed by many in Parliament, not st by some of the BDP members who respected his undoubted integrity and his licy of constructive opposition.

It may seem odd that this analysis of the results has concentrated more on the tively weak opposition than it has on the dominant BDP. However, as the er always seemed assured of victory, the election was perhaps more about the ure of opposition in the new parliament than about who would win.

nclusions

For the fourth time in 14 years the BDP has proved that it can win a massive ctory in a free and fair election. The question which might be asked is whether not the smaller opposition will make much difference in Parliament. Apart om the loss of two distinctive personalities, Matante and Mpho, this is not kely. The BDP has always been the dominant party and its gains over the opposion are subject to the law of diminishing returns—a 27·5 majority does not appear gnificantly different to a 29·3 majority as far as party dominance is concerned. lore importantly, most serious opposition to the government has always come om its own backbenchers and the only times that government has failed to get s way in Parliament are when this group refuses to toe the line. At question time e BDP backbenchers have been no less critical than the opposition.[6] The 1979

[6] It can be argued that the existence of opposition parties plays an important part in curbing ite domination within the parliamentary party. See Wiseman, 1977, *op. cit.*

elections have seen most backbenchers from the 1974 parliament returned once more including all those who have been most critical of the government. Although the large BDP majorities which have been returned have certainly facilitated a fairly harmonious relationship between the executive and legislative branches, the National Assembly of Botswana has never functioned purely as a rubber stamp in the way it has in other African countries. There is no reason to suppose that it is any more likely to do so following the 1979 election.

What this election may do is to lead to some regrouping of the opposition in Botswana which has been remarkably consistent for a number of years.[7] It is possible that the absence of Matante could well facilitate this in that much of the personalized rivalry amongst the opposition revolved around his abundant political persona. What is fairly certain is that the opposition will have another five years to consider their options before putting themselves to the test. Since the election, the BDP has reaffirmed its intention to maintain a multi-party system and not to introduce a *de jure* single-party state. Judging by its record, there is, at this time, no strong reason to doubt its sincerity.

[7] This represents a marked difference to many other African states where minor defeated parties have tended to change with bewildering rapidity.

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The EEC Code for South Africa: capitalism as a foreign policy instrument

JAMES BARBER

As Western governments seek to achieve reform in South Africa by influence and pressure, rather than accepting a doctrine of revolutionary change, so a new instrument of foreign policy has been forged—the EEC Code of Conduct for firms whose home base is in the member states of the Community. The EEC code is not the only one in operation—the Sullivan code for American firms is the best known of the others, but in that case the code cannot be considered a foreign policy instrument, for it was initiated by a church group and is supervised by private groups rather than the state.

Although the EEC code is a government-inspired initiative (being agreed by all nine member states), the implementation requires the active co-operation of the firms. Such a joint government/business enterprise raises issues of principles about the relationship between the two, and further the question whether the partnership can be effective—especially as it has to seek its objectives in a foreign country, and involving, as it must, different perceptions of the situation between government and business, and between the separate governments and the individual businesses. In general, it is the governments that have taken the initiative, with the businessmen sometimes reluctantly being pulled along behind, and with a feeling among some of them that they are being obliged to undertake the governments' political actions for them. However, there are two broadly agreed aims: first, to achieve some social and economic improvements for the blacks of South Africa, and, second, to counter criticisms, both international and domestic, of a lack of concern or even support for 'apartheid' by Western governments and companies.

As with virtually all South African contacts, the code has provoked controversy and become politicized. Indeed, even in Western Europe it is rejected at both ends of the political spectrum—'the Right' preaching the gospel of non-interference in the affairs of another country and deploring the mixing of business and politics; 'the Left' seeing the code as a cosmetic exercise designed to obscure the continued capitalist exploitation of the blacks. Support for the code (and this ranges from enthusiasm to a tolerant scepticism) rests therefore in the middle range of Western opinion.

Genesis of the code

The EEC code was agreed by the Council of Ministers of the nine member states in September 1977. The Council drew heavily upon the British experience of operating a Code of Practice since 1974. That code had been introduced following exposures in *The Guardian* newspaper of the low wages and poor conditions among

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black employees of some British firms in the Republic.[1] The reactions to the exposures were strong and widespread, revealing a genuine concern for the lot of the black workers. A chain reaction was set off involving the media, pressure groups, the political parties and a Commons Select Committee. The outcome of this activity was acceptance by the government of a Code of Practice giving guidelines for firms which employed blacks in South Africa and requesting regular reports from them.[2] In addition, a Labour Attaché was posted to the Embassy in Pretoria. The code was voluntary.

The intensity of the British reaction also reflected a particular political context. South Africa has been and continues to be a prominent issue in British politics, based on a long and often turbulent relationship and a continuing British interest in the subcontinent, including a substantial economic stake and residual imperial links. In a political scene so alert to Southern Africa, neither the government nor the companies could afford to be seen to be negligent or off-hand. Self-interest as well as genuine concern dictated a response and, in the view of some Labour Party members who wanted greater pressure on South Africa, the degree of self-interest was such that the British Government's objective was to give the appearance of action without doing anything that might damage British economic interests.

Despite the action taken in Britain, criticism of the role of Western capital in South Africa continued, both within the Western states and internationally. The criticisms were often couched as broadly based attacks on the nature of capitalism, raising a wider range of issues than those covered in the codes, and they were directed at particular firms as well as governments. For instance, shareholders meetings at Barclays Bank became arenas for debates on Western involvement in apartheid (although Barclays have a good record as employers in South Africa). The Western governments and companies were not prepared to endorse these general criticisms, but they were anxious to demonstrate that economic involvement in South Africa could be a force for reform.

The critics had found a particularly effective platform at the United Nations where the anti-apartheid campaign was given international legitimacy. It is no surprise therefore that the members of the Community—conscious as they are that collectively they are the largest foreign investor in South Africa—were prompted to promulgate their code immediately before the first UN anti-apartheid conference which was held at Lagos in August 1977. The code was introduced as a political act prompted by the member governments' anxiety to ward off international criticism. It was prepared quickly and pushed through the Council of Ministers to meet the time-scale of the Lagos conference, without consulting employers' organizations or labour unions. The explanation given is that in the two months available there was insufficient time for consultation. Doubtless there is substance in this argument, but there must be a suspicion that the governments were relieved to avoid a long and potentially acrimonious debate. At the Lagos Conference, Monsieur Simonet, the Belgian Foreign Minister, then President of the Com-

[1] See *The Guardian*, 12 March 1973 and subsequent reports.

[2] Cmnd 5845 (London: HMSO, 1974). For the Code itself, see H. of C., *Fifth Report from the Expenditure Committee* (London: HMSO, 22 January 1974), pp. 98–102.

munity's Council of Ministers, put the code in the broad context of opposition to racial discrimination. He spoke of apartheid as 'an insult to the dignity of man. In contradiction with the principles of the Universal Declaration of Human Rights and the Charter of the United Nations it constitutes a form of institutionalized racism.' He condemned 'the concept of separate communities by race', and deplored 'the refusal of the South African Government to embark on the road to a really non-racial society in which the whole population have equal rights'.[3]

In content the EEC code has built on the British experience by widening the scope of issues covered and giving more attention to industrial relations in general rather than concentrating predominantly on wages and conditions of service. One of the new features is to emphasize the rights of all employees to collective bargaining with their employers. The seven principles related to black workers are: (i) companies should recognize the right of workers to be represented by trade unions; (ii) employers should help to ensure freedom of choice of place of work and abode, and alleviate the adverse effects of the migrant labour system; (iii) pay should be increased to the effective minimum level i. e., 50 per cent above the poverty datum line; (iv) equal pay for equal work, and training programmes for blacks; (v) improved fringe benefits and employees' living conditions at home; (vi) desegregation within the place of work; (vii) parent companies should publish annual detailed reports on the implementation of the code.[4]

Although the code is associated with the EEC, in strict terms it falls outside the Treaty of Rome, being a 'political' agreement between the separate governments rather than a directive of the Community acting as a single entity. Among other things, this means that there is no centralizing agency with responsibility to implement and monitor it. These activities are left to the separate states, which attempt to co-ordinate their efforts through the Council of Ministers, with its representation of the separate states, and not the Commission (although an official from the Commission attends as an observer the inter-governmental meetings about the code).

Varying national responses

While the code was supported by all the Community members, the process of reaching agreement revealed differences of emphasis and interest among them. Here special attention will be given to the British and German experiences which were the subject of a conference at Bonn in September 1979.[5]

The British were the most active in promoting the code, the initiative coming in the first place from Dr Owen, then Foreign Secretary, and who, like Simonet, saw it in broad political terms. In Owen's view, it was an action designed 'to erode

[3] Quoted in European Communities Commission Background Report, January 1978 (ISEC/B2/78), p. 1.

[4] Cmnd 7233 (London: HMSO, May 1978).

[5] Ango-German Conference on the EEC Code of Conduct, September 1979, jointly sponsored by Katholischer Arbeitskreis Entwicklung und Frieden (KAEF) Wissenschaftliche Kommission, and University of York Centre for Southern African Studies. Papers and findings of the Conference are to be published under the editorship of Professor Franz Ansprenger and C. R. Hill in *The European Community and its Code of Conduct*.

apartheid at its foundations'.[6] The initial draft of the code (subsequently not much altered by the other parties involved) was undertaken by the British Foreign Office. In content, therefore, the code tends to reflect British concerns, including a pre-occupation with trade unions which is not necessarily shared by all Community members. The German government gave support to the code from the beginning, but initial German business reaction was less than enthusiastic. The Bundesverband der Deutschen Industrie (The German Federation of Industry) dismissed the idea as 'superfluous and damaging', arguing that the code would politicize economic relations in an undesirable way that might be repeated elsewhere on other occasions; that it would undermine competitiveness; that it would be seen by critics as no more than a sign of a guilty conscience and, finally, that it would too easily be regarded as a binding rule. However, after pressure from the Ministry of Foreign Affairs, the representatives of industry reluctantly came to accept the 'political objectives on which the code is based', and agreed to put it into practice. Unofficially they consoled themselves with the thought that it made little difference, as the principles of the code had already been operated by German firms in South Africa.[7]

While, after substantial hesitation from the business community, the Germans came to accept the code, the French treated it with some indifference from the beginning. They did not favour a British proposal for greater co-ordination in implementation and monitoring, and, in the absence of any strong French public opinion on South Africa, the government showed little enthusiasm in urging the code on the business community. Nor did it press for the publication of individual reports from firms but rather asked for submissions to the government, which, if it publishes them, will be in the form of an overall review. In contrast to this, some of the smaller states, such as Denmark and Ireland, which have little direct involvement in South Africa, wanted to insert more overtly political aims into the code. That was successfully opposed by those with substantial stakes.

There is advantage for all the Community members in combining to operate the code, for not only is there more chance of achieving reform within South Africa, but also each member gains greater protection from international pressures and criticism. This is especially important for the British and Germans who have the strongest economic ties with South Africa—the British long established in trade and investment, the Germans growing rapidly in both these sectors. Futhermore, both have important political considerations in demonstrating their concern for reform—the British with a colonial past which still haunts their relations with Africa, while the Germans carry a lingering stigma of racialism from their treatment of the Jews, added to which they have recently been accused of helping South Africa to acquire a nuclear weapons capacity. Both Britain and Germany can therefore hope to obtain shelter in the Community fold. There is a further attraction for British firms in that they no longer separately operate their own code,

[6] Quoted in *Christian Concern for South Africa*, Annual Report 1977, p. 5. See also Dr Owen's speech of 23 January 1979 at Central Hall, London, *Verbatim Service*, p. 4.

[7] See Reinhard Hermle, *The Code of Conduct in the Context of the Relations between the Federal Republic of Germany and South Africa*, paper presented at the Bonn conference last September; and Christopher Hill, 'German relations with South Africa', *International Affairs*, forthcoming.

which some of them believe blunted their competitive edge. However, there are still complaints from British businessmen that greater pressures are directed at them than at their commercial rivals and the code is operated more vigorously in Britain than elsewhere.

The EEC code is voluntary and there are no sanctions other than the adverse publicity that may arise from the reports. The decision to make it voluntary was based partly on principle, but perhaps even more on practical considerations. The practical issues include the negative ones of recognizing the difficulties of operating a mandatory code—of investigating breaches (especially as it operates abroad)—and legal considerations such as the different legislative and court systems in each of the nine member states and the uncertainties of gaining evidence and prosecuting offences committed in a foreign country. But there are also positive advantages for the governments. In the first place, a voluntary code imposes a much smaller administrative and supervisory burden than a mandatory one. The governments collect and publish the reports but the task of preparing them falls on the companies and/or their representative organizations.

Added to these practical advantages for the governments, there is an important one of principle. The reporting procedure lends itself to a pluralist political system. Once the reports are gathered and published, a political market is created, whereby the transactions reflect the amount of political activity that is generated. The governments, having demonstrated their concern by having the reports made and published, can then adopt a reactive posture, awaiting 'public opinion'—which in reality means the amount of attention and activity generated by the media, pressure groups and political parties. Depending on that, the governments can then give the code greater or less priority.

Different criteria for performance

It is too early to attempt an evaluation of the EEC code but already some general issues are clear. First, it will be judged from very different premises. One approach, favoured by most businessmen, is to set the code in a narrow context in which it is evaluated in relation to the specific working conditions and terms of employment of the firms to which it applies, and this view has the sympathy of some of the government officials who administer it. At the other end of the scale, it is judged for the contribution it makes to the general reform of South African society, and it is not only radical groups which interpret it in this way but also Western political leaders conscious of the international pressures on them—as M. Simonet was at Lagos. For them the code is an expression of a political stand.

The second general conclusion is that the code will be evaluated in different political arenas. The Western governments are likely to be most conscious of the broad international setting (particularly at the United Nations and other international organizations) where they meet the most rigorous criticism of their links with South Africa. Added to that, some of the governments, notably Britain and the Netherlands, and perhaps increasingly Germany, face considerable domestic pressures on their policies towards South Africa. Within South Africa itself, the code is seen as only a part of a complex and shifting situation, with many whites

resenting it as unwarranted interference in South Africa's domestic affairs, while it has had a mixed reception among blacks. It is unlikely that the greatest pressures on the Community governments and companies to increase or relax the code will come from inside the Republic. One of the uncertainties that arises in South Africa is whether the Western governments should present the code as an external initiative to pressure the South Africans into change—which would please the international and domestic critics—or rather to offer it in a more acceptable form for white South Africans as a contribution to an indigenous movement for change, in which South African companies and organizations like the Urban Foundation are already well launched, and in which the Wiehahn and Riekert reports indicate that the momentum for reform is now recognized at a national level. There is, in fact, a lack of clarity both about the precise objectives of the code and the context in which it is to be judged. Yet this is not necessarily a disadvantage for the Community governments. It allows them to retain flexibility and offers a greater chance of satisfying the wide range of interests which are involved.

A third conclusion is that the application of the code will vary noticeably from member state to member state. This is in part the outcome of having a voluntary code in which the political setting within which the governments are operating and the relationships between government and business in the countries differ. The French attitude has already been noted and there are differences between the reaction of British and German firms, with the Germans generally more reluctant to be involved. They complain, among other things, that the code is more suitable to British than German conditions, pointing out that in Germany it is illegal for employers to deduct union dues at source as envisaged in the code, and recruitment of union members at work is more closely regulated. They also express their concern about their competitive position vis-à-vis Japanese and American firms if they are forced to raise wages very substantially. The method of reporting in the two countries is also different. In Britain, firms report individually and their separate reports are published. In Germany, there was a dispute between the government and the business organizations, which lasted over several months, after the organizations had proposed that a general report should be submitted to the government by the Association of Commerce and Industry. This was unacceptable to the government, and finally it was agreed that individual companies would report directly to the Ministry of Economics, which would then produce a general report; but the publication of a generalized report covering all companies plainly provides a much less satisfactory basis for investigation than the British individual reports. This difference can be explained by the previous British experience and the different degrees of political attention given to South Africa in the two countries. The pressure on British firms has been, and continues to be, much greater, and includes some pressure from the trade unions which has not so far been found in Germany. The divergences between the British and German behaviour may narrow as the Germans become accustomed to operating a code, and have greater domestic pressure on them, but despite this, differences will remain throughout the Community in the attention that is given to the code and the way in which it is implemented.

The fourth conclusion which can already be drawn is that attempts to monitor and supervise the code are fraught with problems. Because of the greater pressures on them and their experience of operating a code over a period, the British companies have been more conscientious than others in making reports, but even there the results are patchy. In a written Parliamentary reply on 13 December 1977, the then Secretary of State for Trade (Mr George Rodgers), reporting on the initial British Code of Practice, said that although there had been a good response, with only six of almost 200 firms involved failing to report, only 43 of them had given the full information requested in the White Paper. When later, in February 1979, he reported on the early experience with the EEC code, he could again state that most companies had complied, but there were two (Gallagher Ltd and Marley Ltd) which had not reported at all and 45 which had reported inadequately. Even when reports have been received, there are problems of monitoring and checking. Clearing up queries and discrepancies can be time-consuming and expensive, but still more difficult problems arise if attempts are to be made to check the situation on the ground. According to some of those who have attempted the monitoring, this is essential, for the practice may contradict the reports—as some observers have claimed after examining the performance of 18 German firms. Frequently the reports have to be compiled by local South African managers, some of whom resent the whole activity as interference in their firms and South Africa's affairs, and who are even more resentful at having their work checked. However, in checking reports non-governmental agencies, such as investigative journalists and pressure groups, may become increasingly important. One possibility is that groups in Western Europe will combine with investigators in South Africa such as trade unions, universities, the Institute of Race Relations, and the 'Inkatha' black movement of Chief Buthelezi. Yet even if much of the monitoring is undertaken by South Africans, the potential for tension will still be there, with the management taking a 'narrow' view of the code and resenting the investigation, while the investigators are likely to take a broader view. The keener the investigation the more likely the misunderstanding.

Future potential

Looking to the future, there are contradictory signs about the importance and the degree of attention that will be given to the code. Many in the business community believe that it has already served its purpose, first, by alerting the European companies to a situation of which they were previously ignorant and which they will not ignore in future, and, second, by contributing to the general concern now found in South Africa for the lot of black workers. According to this view, the code is now a well-established contribution to a movement for incremental reform and will not require fresh political initiatives or tight monitoring. Moreover, some British companies point out that, for all their efforts in publishing detailed individual reports, they have received few requests for the information; apathy rather than vigorous investigation has greeted their efforts. In summary this view would suggest that the code has done a useful but limited job and little more need be heard about it.

There are, however, signs of a quite different response, whereby increasing attention will be given to the code. This is when it is set in an international political context in which pressure for radical reform in South Africa continues to grow. Within this context, the Western governments are seeking to demonstrate their general objectives and to introduce policies which will further these aims. The general objectives are easy to state—to take a clear stand against apartheid and to seek reform in South Africa by peaceful means— but finding policies to achieve these without undermining other interests has proved extremely difficult. Almost all options are so hedged around with problems that they are unattractive for the Western states. The ideal is to exert precise pressures on the whites without harming the blacks or neighbouring states and without seriously damaging Western economic and strategic interests. Broad-based economic sanctions do not satisfy these terms, for obviously they would, among other things, impose serious hardships on neighbouring states and cause substantial economic problems for Western states, not least for Britain. The Western states have largely endeavoured to make clear their opposition to racial discrimination by verbal denunciations and diplomatic coolness, but under international pressure they have taken limited actions such as the arms embargo, sports bans, and now the codes of conduct. Because the actions of the Western states have been so limited, those who are determined to ensure that pressure is sustained have given considerable attention to the few measures that have been attempted. Thus the EEC code may attract much greater attention than its limited terms of reference would appear to warrant.

There are signs that this is already happening. The European Parliament debated the code in April 1979, passing a resolution which stated that it 'represents a credibility test for the political will of the Nine and must be a decisive factor in the establishment of an overall strategy to combat apartheid starting with the vital sector of employment.' The Parliament wanted the code tightened and implemented more vigorously, including the introduction of sanctions against companies which refused to co-operate. Although the Parliament did not support general economic sanctions against South Africa, it emphasized the broad political setting in which the code should be judged, believing 'that the adoption of the code must be followed by action in other areas' and wanting 'a programme of specific political measures' which could be adopted by the whole international community to induce the South African Government to end racial discrimination.[8] Nor has concern with the code been confined to government and Community institutions. In November 1979 the General Synod of the Anglican Church resolved to draw the attention of companies to the code, to urge the government to press its implementation with vigour, and to encourage the British Parliamentary Committee on Trade and Industry to hold annual public hearings after the publication of the reports.

Within this politically aware climate, the Community governments, by accepting the role of external reformers in South Africa's affairs, may have left themselves somewhat vulnerable to those who see the code as a contribution to broad social

[8] Official Journal of the European Communities, Information and Legislation, No. C127, pp. 56–8.

reform. These reformers may quickly become dissatisfied with the pace and direction of the progress and call on the Community members to honour their commitment by taking more vigorous action. There are some indications of this. The British Council of Churches, which initially supported the code, resolved in 1979 to back complete economic disengagement from South Africa, so that support for the code is now tempered by regarding it as a temporary measure while stronger economic pressures are developed. The International Confederation of Free Trade Unions meeting at Madrid in November 1979 urged member unions 'to put strongest pressure on their government for the inclusion of viable enforcement clauses in codes of conduct'. If pressure by international organizations were combined with those of powerful internal groups, especially the trade unions, some governments (but probably not the present Conservative administration in Britain) might be tempted to consider further action including a mandatory code. But such temptations would be vigorously resisted by the business interests both in principle and on practical grounds, and the practical problems would be underlined by the government officials who would be called upon to operate a mandatory code. They would underline the legislative and judicial problems mentioned above of co-ordinating the response of all nine members and of collecting and checking information. Moreover they would point out that the sanctions that might be proposed—such as the withdrawal of export credits or licences—might not apply in this case or simply be ineffective, while more general steps, for example, of trying to block future investments or imposing a trade boycott, might meet strong public opposition at home and seriously harm Western interests.

It seems unlikely that without intensified political pressure the Community members will be prepared to consider any stronger action than that of the present voluntary code operated by each state. However, substantial differences of judgement will continue to be found about the success or failure of the code—based on different perceptions of its purposes and the context in which it should be evaluated. Whether the code is given a higher priority and more teeth by the government will depend on a number of factors—the degree of international and domestic political attention it receives, the pressures that are exerted on the Community governments, the political composition of these governments, and internal developments in South Africa.

United Nations peace-keeping in the Middle East

BRIAN E. URQUHART

PEACE-KEEPING, a phrase which came into use more or less accidentally in the early 1960s to describe an original organic creation of the United Nations, arose from the unexpected circumstances of the post-war world. There is no mention of the peace-keeping technique in the United Nations Charter.

As the Committee set up by the General Assembly in 1965 to study peace-keeping has discovered, it is difficult to categorize or pigeonhole this improvised technique. But, while complete agreement on theoretical guidelines for peace-keeping has so far eluded the member governments of the United Nations, it has usually proved possible in practice to mount peace-keeping operations in times of crisis with the minimum of disagreement among the members. In fact, the controversial aspects of peace-keeping—political control, the terms of reference of the force and day-to-day responsibility and direction—have normally proved soluble in practice under the pressure of the demands of a crisis situation.

Soon after the United Nations was set up in 1945, it became clear that the Charter machinery for the enforcement of the decisions of the Security Council was unlikely to prove applicable in most cases, since it was improbable that the permanent members of the Council would be in agreement. It also soon became clear that the decolonization process and the steady withdrawal of the European colonial powers from their former territories would inevitably create power vacuums, some of them in highly sensitive regions of the world. If the struggle for control of such key points was not to give rise to fatal confrontations between the new great powers of the East and West, some international means of filling these vacuums would be needed. There was also need for an objective presence to observe and to report on critical conflicts to the Security Council. In certain conflict situations, the presence of an objective third party might provide an adequate pretext for the governments concerned to refrain from conflict, even when more hawkish elements in their own countries were demanding it. The observer groups which were set up in the Middle East and Kashmir in 1948 were the result of some of these considerations and the forerunners of later and more sophisticated peace-keeping operations.

United Nations peace-keeping operations in the Middle East have now come to be largely taken for granted, and it is even sometimes said that the United Nations plays little current part in the peace process in the Middle East. The easiest way to demonstrate the fallacy of this conclusion would be to remove the United Nations peace-keeping operations in the area prematurely. The removal of the United

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Nations Emergency Force, UNEF I, in the summer of 1967 provided a disastrous lesson of this kind which is not likely to be forgotten, and it is now generally recognized that the presence of peace-keeping operations at the most explosive contact points of the Arab-Israeli problem is a key factor in maintaining peace and providing the climate for negotiation.

Many years ago Dag Hammarskjold described the day-to-day activity of the United Nations in the Middle East as 'daily nursing care', that is to say the measures required to keep the patient alive and his temperature down, without necessarily trying to change his basic condition. This analogy begs the question of how real progress towards a settlement in the Middle East can ever be made. Unfortunately, in more than 30 years the great physician has yet to appear and to devise the treatment necessary to bring about a radical change for the better in the condition of the Middle East. Although many, both within and outside the United Nations, have made valiant efforts, the achievement of a comprehensive and peaceful settlement still eludes us. In these circumstances, and given the central importance of a relatively peaceful Middle East to the political, military and economic balance of the world at large, there seems little alternative to continuing the 'daily nursing care' of which peace-keeping is an essential part.

In the Middle East, the United Nations has experienced virtually all types of peace-keeping operation and a wide variety of conditions in which such operations function. The first and basic peace-keeping operation in the Middle East was the Truce Supervision Organization, which initially came into being during the war of 1948 to supervise the truce demanded by the Security Council in July of that year. Its Military Observers remained to supervise the armistice agreements between Israel with its Arab neighbours which were for many years the main basis of the uneasy truce in the whole area.

UNTSO's pioneering role

In the wars of 1956, 1967 and 1973, the functions of the observers changed as the situation in the area changed, but they remained on the cease-fire lines, often under fire, and performed an invaluable service as go-betweens and as the means by which isolated incidents could be contained and prevented from escalating into major conflicts. The Military Observers of the United Nations Truce Supervision Organization (UNTSO) have won and maintained a reputation for honest and objective reporting, which is now so much taken for granted that their findings are not contested even when they are to the disadvantage of one or other of the parties. They have suffered many casualties during their courageous but little recognized service. At the present time, groups of these Military Observers are attached to the remaining peace-keeping operations in the area—the United Nations Disengagement Observer Force (UNDOF) in the Golan Heights and the United Nations Interim Force in Lebanon (UNIFIL) in south Lebanon. A group of observers also remained in the Sinai to maintain the traditional United Nations presence after the entry into force of the Egypt–Israel Peace Treaty and the resulting demise of UNEF II in July 1979.

UNTSO provided the initial basis for the other peace-keeping operations which

developed in the Middle East over the years. Its body of experienced and highly trained staff officers and its communications system were invaluable in setting up, at short notice, UNEF I during the time of the Suez crisis, the observer group in Lebanon during the crisis of 1958, and later on UNEF II in Sinai, UNDOF in the Golan Heights and UNIFIL in south Lebanon. Military Observers of UNTSO have been attached to all these operations and usually have the most isolated and difficult duties. In south Lebanon, for example, they have been in charge of liaison with the fighting factions, the Palestine Liberation Organization and the Christian militia. Their Observation Post in the Château de Beaufort, the crusading castle which is the PLO stronghold north of the Litani, was so badly damaged by shell fire in the summer of 1979 that they have had to vacate it, but they are still active in the area, undeterred by the regular artillery exchanges which occur there. Before the Israeli invasion in 1978, the Observers had manned for many years the isolated Observation Posts on the Lebanese frontier with Israel. They lived in an area where civil and military authority had vanished and where an interfactional war between villages was constantly waged. Unarmed and in small groups, they were extremely vulnerable and were frequently harassed, kidnapped or robbed. However, they rejected all suggestions that their task was unduly dangerous and remained at their duties.

UNEF I

In 1956, the Suez crisis brought forth the first peace-keeping force, UNEF I. This force, set up at very short notice, was a pioneering operation, which allowed for the peaceful withdrawal first of the British and French troops from Egypt and later of the Israelis from Sinai. When the Israelis withdrew in March 1957, it was decided that UNEF should remain to keep the peace on the demarcation line in the Sinai between Egypt and Israel.

UNEF was an immensely successful operation—perhaps in the long run too successful for its own good. John Foster Dulles wished to use the experience as the foundation of a permanent international force. Even the Israelis, who had initially been highly sceptical of its efficacy, became warm supporters. But as the years wore on, UNEF's presence was increasingly taken for granted and it became steadily eroded by measures of economy. It was more and more difficult to explain to the governments who were paying for it that the very absence of activity in the UNEF area was a testimony to its effectiveness. It proved particularly difficult to explain the value of the presence of a military company in Sharm el Sheikh on the mouth of the Gulf of Aqaba, which served as a basis for the Egyptian Army not to re-occupy the coastal batteries which had caused so much difficulty in the past. Thus, when Nasser challenged UNEF's presence in 1967, it consisted of about 1,400 soldiers in the field on a very long front. Its two main contingents, from India and Yugoslavia, were already about to be withdrawn for political reasons by their governments when Nasser made his request for UNEF's withdrawal—a request which voided the legal basis for the presence of the force.

This is not the place to discuss the long-standing controversy over the handling of the 1967 crisis. Suffice it to say that the removal of UNEF and the subsequent

Six-Day War, with all its very far-reaching consequences, proved, if further proof were needed, that small peace-keeping forces have a value vastly in excess of their numbers or capacity to use force.

UNEF II

In 1973, the October war, as it dragged on through its second week, presented an increasing danger that the United States and the Soviet Union, for all their reluctance, would be steadily dragged into the conflict in support of their fighting client states. It was in this context that Dr Kissinger flew to Moscow and returned to New York shortly thereafter with Resolution 338, which called for an end to the fighting and an immediate resumption of negotiations for a comprehensive peace under Resolution 242 of the Security Council. This highly significant initiative, sponsored by the Soviet Union and the United States in the Security Council, proved another important point about conflict control—that in war a cease-fire order is unlikely to execute itself. The conflict between Egypt and Israel was so involved and so complex that it was virtually impossible for any cease-fire to come about without outside assistance.

Thus, after three more days of fighting, the Security Council decided to set up UNEF II to interpose itself between the combatants. Using the resources of UNTSO and troops from the peace-keeping operation in Cyprus, it was possible to get the first units of the Force into the field within 24 hours of the Security Council decision, and their interposition between the armies of Egypt and Israel swiftly brought the very confused and bitter fighting to an end. Due to the unanimous support of the Security Council, it proved possible to evolve, for the practical guidance of UNEF II, guidelines and directives which in practice settled most of the theoretically insoluble disputes about peace-keeping which had dogged the United Nations since the controversies over the Congo operation in the early 1960s. The Force itself was also geographically more representative than previous forces, containing a contingent from Eastern Europe, the Poles. It was financed on a regular basis under the Charter rather than by voluntary contributions as is the case in Cyprus.

UNDOF and UNIFIL

In 1974, following the disengagement agreement between Israel and Syria concluded under the auspices of Dr Kissinger, another United Nations peace-keeping operation, the United Nations Disengagement Observer Force, was set up on the Golan Heights. Both these operations proved highly successful and created few problems, although, unlike the first UNEF, which had an open-ended mandate, they were given limited mandates of a few months which had to be renewed once or twice a year. This was to demonstrate that these were temporary arrangements which could not prejudice the ultimate withdrawal of Israel or the outlines of a permanent settlement in the region.

UNEF II and UNDOF were based on detailed and accurate disengagement agreements between the parties which clearly stated their functions in relation to both sides, including the guaranteeing of limited armament zones, buffer zones,

etc. UNEF II came to an end in July 1979 with the conclusion of the Egypt–Israel treaty. UNDOF is still on duty in the Golan Heights.

A very different situation surrounded the establishment of the United Nations Interim Force in Lebanon in March 1978. The anarchic conditions of southern Lebanon and the Israeli invasion of that area had created a situation of extreme confusion and violence. Although the possibility of a United Nations force in southern Lebanon had been considered on many previous occasions, it had always been judged as impractical in the circumstances and had never been followed up. However, the Israeli invasion of March 1978 at a crucial point in the Camp David negotiations presented an unusually urgent demand for action to secure the immediate withdrawal of the Israeli forces. Thus, over one short week-end, the United Nations Interim Force in Lebanon was established and put into the field. Unlike UNEF II or UNDOF, there was no clear agreement in advance on the functions and limitations of this force. The Security Council resolution which set it up gave it three main objectives: to secure the withdrawal of the Israeli forces; to restore peace and security in southern Lebanon; and to assist in bringing about the restoration of the sovereignty and authority of the Lebanese Government in the area. This deceptively simple mandate was based on a number of shaky assumptions. It assumed that the Lebanese Government would be able to reassert its sovereignty in the south of Lebanon after a lapse of many years, and that if it could do so, such a reassertion of authority would be welcomed and accepted by all the armed parties in the area, notably the Christian militias, the Israelis and the PLO.

UNIFIL's early days in southern Lebanon were filled with incidents and violence. All sides accused the Force of partiality, and each required that UNIFIL should fight its own particular battle. The Israeli withdrawal further compounded UNIFIL's problems, for in the final stage in June 1978 when the Israelis withdrew to the Israel–Lebanon frontier, instead of handing over to UNIFIL, they delivered the frontier zone to the Christian militia forces of Major Haddad, a military group equipped, supplied and directed by the Israeli army. Thus UNIFIL was unable to establish control of all its area of operations and was therefore constantly accused of failing to assert its authority. This in turn limited its capacity to deal constructively with the armed groups to the north, the Palestine Liberation Organization and the Lebanese Mouvement National. Initial efforts by the Lebanese Government to send units of the Lebanese army to the south were also resisted by Major Haddad and the Israelis and created grave embarrassments for the government in Beirut. Further such efforts have continued to give rise to domestic controversy.

UNIFIL's frustrations, however, are certainly less important than its value as a stabilizing element in a particularly violent and volatile area of the Middle East. After much initial complaining in the Security Council and elsewhere that the Force had failed immediately to fulfil the perhaps unrealistic mandate given to it by the Council, there has developed a more general understanding of the value of the Force's presence for peace in the region, and indeed for peace in the world.

Prerequisites for success

UNIFIL's experiences underline the basic principles of United Nations peace-keeping. The most important of these is that a peace-keeping force can function properly only with the full co-operation of the parties concerned and with their understanding of and acquiescence in what the force is trying to do. Secondly, the full support of the Security Council and its understanding are essential. Any wavering on the part of its members instantly transmits itself to the parties to the conflict and even to the members of the Force in the field, with highly negative results. The third general lesson is that a peace-keeping operation should not be expected to use force except in the last resort for self-defence. The moment it descends into the arena of conflict or becomes a party to the conflict it is likely to be lost. The importance of a peace-keeping force does not lie in its numerical strength or military capacity. It lies in the international political will which it represents and in the capacity of its members to conduct a 24 hour-a-day exercise in conciliation and de-escalation. A peace-keeping force should never get into the position of regarding any party as the enemy.

Finally, although United Nations members are constantly complaining about the expense, peace-keeping is a bargain. The Force in Lebanon, for example, costs approximately $130 million per year. Another explosion in south Lebanon would certainly, in the first stage, involve the Palestinians and the Christian militia. In the second stage it could involve the Israelis and probably the Syrians, and in the third phase the chain reaction could go far wider. The military and civilian costs of such a war alone would be hundreds of times greater than the cost of UNIFIL. When one adds the probable economic consequences and the risks to world peace, the cost of UNIFIL seems small indeed.

It is important that member states get used to the idea that they are not wasting money in supporting these forces. It is equally important that they should be paid for by the United Nations membership as a whole and not, as is now the case, by only a part of it. The tendency of some nations to opt out of paying for peace-keeping on one pretext or another is not only unfair to the ones who do pay, and especially to the troop-contributing countries; it is also damaging to the notion of collective responsibility on which the United Nations must be based if it is to function effectively.

The Middle East still awaits the great healer or magician who will be able to orchestrate and direct the drive for a comprehensive settlement. Great changes of heart and large concessions will be required on all sides if this is ever to come about. In the meantime, UN peace-keeping operations remain an essential means of containing the flashpoints of this crucial conflict.

Mrs Gandhi, the political élites and India's rural voters

RICHARD WIGG

IN India's General Election on 3 and 6 January 1980 Mrs Indira Gandhi was voted back to power less than three years after her resounding expulsion from it. Did the Indian electorate, 360 million human beings with vastly differing interests, education and outlook, want that outcome or was it what the country's politicians and a parliamentary system of government inherited from the British gave them? This article examines the election results and the background to Mrs Gandhi's astounding victory.

Behind a bow to Western advertising techniques, the campaign organized with skill and minute attention to details by Mr Yashpal Kapoor essentially aimed to show Mrs Gandhi to as many ordinary Indians as possible. For six weeks she toured the country almost continuously, except for dashes back to Delhi, visiting 384 of India's 525 constituencies and being seen by an estimated 240 million people out of a population of 630 m. Usually she spoke at meetings barely five minutes, using the simplest emotional language, concentrating on slogans about law and order and stable government (which she promised to provide) and rising prices of ordinary consumer items. Often it was onions, one of the few vegetables millions of poor Indians can afford, but which rose rapidly during the last weeks of the caretaker government, so that the 1980 General Election has been nicknamed in India the 'onion election'.

Mrs Gandhi's masterly exploitation of her unique sway over ordinary Indian voters as Nehru's daughter—building on the devotion and the hope still conjured up by the name of the most popular leader of India's national liberation movement (more familiarly known as Congress)—was one of the reasons for her success in putting 351 often inexperienced and undistinguished candidates in the seventh Lok Sabha. The other was the utter failure of the preceding Janata Government and the calibre of the men it fielded, after the party's break-up last summer, to oppose her as leaders of two now bitterly rival wings—Mr Jagjivan Ram and Mr Charan Singh.

The personal relationship between Mrs Gandhi and many ordinary and overwhelmingly illiterate voters has to be emphasized. (In Mrs Gandhi's south Indian constituency, Medak, where she obtained a majority of over 200,000, only 16·1 per cent of the people are literate and among the Untouchables this percentage falls to 3·9 per cent.) But both Mrs Gandhi's grip on the imagination of the Indian people and the debility of the Janata Government should be viewed as expressions of the institutional deficiencies of the Indian system of government such as it has emerged during the 30 years after independence. Indeed, Mrs Gandhi's comeback to power is not the expression of healthy developments in the Indian body politic.

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She now seems to bestride the political scene like a colossus, but while her power to inflict more damage on the system than she already did by imposing the 19-month-long Emergency in June 1975, remains large, her power to do it, or Indian society, good is small. Beneath the emotional link with ordinary people and a natural style of governing Lord Curzon would have admired Mrs Gandhi is very much one of India's ageing political leaders, relying on the same bag of short-term tricks but essentially without any statesmanlike goals for Indian society or its development. Her party followers depend on identical techniques for governing their provinces as the rejected Janata.

The size of her electoral victory, it can be argued, will relieve Mrs Gandhi of the necessity to resort again to authoritarian government to get her own way. But with a two-thirds majority (which she already possesses with her allies among the Tamil regional party and the Muslim League), she might none the less be tempted to re-form the Constitution. No one can be sure that if she were to face another serious challenge Mrs Gandhi would not again be prepared to endanger the parliamentary institution itself.

Inherited system

India's parliamentary system was taken over wholesale from the British and left unchanged during the subsequent Constitution-making. It is this system which gave Mrs Gandhi's Congress party its towering lead of more than 300 seats over the other parties on 42·5 per cent of the popular vote. Only the fact that the Congress vote in the south in March 1977 did not dip as much as elsewhere prevented a similar exaggeration in favour of Janata in the so-called 'Janata wave' when it won 45 per cent of the vote. The national turnout in both elections proved surprisingly close—55·5 per cent this time and 55·46 three years ago.

The Indian parliamentary system thus exaggerates the swings in popular sentiment which now appear to characterize the country's electoral consultations. To parliament itself the swings bring many new faces each time—almost two-thirds of the outgoing Lok Sabha members were rejected by the electors in January. This further lowers the calibre of MPs already vulnerable to monetary pressures and prevents the growth of a stout legislative tradition to withstand a dictatorial prime minister or executive. As happened under Mrs Gandhi before, many of the newcomers to the Lok Sabha will be only 'hand-raising MPs.'

But the defects of India's parliamentary system reflect deeper imbalances in Indian society which for more than 30 years have been exploited by the politicians. This process began already before independence. All the existing legislative machinery was developed by the British from the official consultative organs of the Viceroy and the Governors, from above and, contrary to India's persistent attempts to seek the origins of its democratic system in its own ancient history, not from any rudimentary indigenous institutions.

Between the last British-held elections in 1946 and the first poll for an independent India in 1952 Pandit Nehru and Sardar Vithalbhai Patel (until his premature death in 1950) were intent on building up the administration of the new state at the centre and in the old provincial capitals. So were the local political élites. By

the time he was assassinated barely six months after independence, Mahatma Gandhi who advocated a social rather than political role for Congress had become totally disillusioned with its power-seeking and was even considering a civil disobedience movement against it. But by then he had been removed from any position of real political influence.[1]

There has been a lively debate in India over the so-called 'Nehruvian model' for economic development; the question asked is, briefly, whether the industrialization begun under the first Five-Year Plan in 1952 marks a fatal turn away from agricultural development for the benefit of India's masses, then numbering only 361 million. (So far there has been no parallel debate on the kind of political model adopted by India's rulers.)

But Nehru and Patel did, in fact, try out a kind of community development (CD) based on an allegedly ancient Indian system of self-rule, the *panchayat* (roughly council of village elders). Again, however, the system was introduced from above—by Mr S. K. Dey, Nehru's Minister for Community Development for more than a decade. And by 1954 when it was launched, the original band of village workers of the Gandhian independence movement had dispersed or given up in utter discouragement. From today's perspective, it is difficult to overestimate the importance of this loss, in terms of a dedicated human cadre throughout India inspired by Gandhi himself, for rural India's subsequent development.

The original idea of Nehru,[2] was that the politicians should be kept away until the villagers had developed their own leadership, and that local supporters of Congress should have to compete against representatives of other political parties. But the politicians objected to the emergence of village leaders because effective *panchayats* would have deprived them of their role, power and patronage. In India's more than 500,000 villages, Congress swiftly monopolized the field. From the village standpoint, Congress was indeed India's national liberation movement which had got rid of the British. All the other political parties came a long way after and party politics as India's urban areas know it still does not exist in many Indian villages today. Only in two states, Maharashtra and Gujarat, both prosperous and relatively advanced socially, did community development really take off; there the richer farmers, often already organized in their own co-operatives, reached out to win political power in the state capitals. Elsewhere CD led a sickly existence under the officials, withered and finally died; when the Desai government decided that it wanted to conduct *panchayat* elections, it found that in many states they had not been held for 15 years under Congress rule.

The significance for the country's political development of this lack of *swaraj* at the grassroots level in rural India, where more than 80 per cent of the population and the voters still live, does not need underlining. The failure of Nehru's India to lay the foundations for the rural population's participation in the nation's political life alongside other organized groups and sections of society, lies at the root of the imbalances in India today. As a result, the villages are first and foremost 'vote

[1] Gandhi taught that *swaraj* (self-government) was not the acquisition of authority by a few, but acquisition by the majority of the capacity to regulate authority when it abused power.

[2] According to Mr Dey, interviewed by the author in New Delhi, June–August 1979.

banks' for the politicians of almost all parties. In an Indian village, there is naturally no political organization as such. At most, two or three of the bigger farmers in a large village may be members of a local development body or of a 'group panchayat'. A few villagers usually set the tone and head the factions by owning most land, controlling the irrigation, and giving work to most of the villagers as labourers. A few more are marginal and small farmers and some of these must also labour for others. Most of the people in a village with a dominant caste are related to each other through endogamy. These two basic factors make for a dependent status by the majority and for the formation of group attitudes.

It has been the ability of the village leaders to 'deliver' a block of votes which up to now has made them such figures of interest to the local party politicians living in the nearby market towns. Often they are also businessmen or traders, who deal regularly with the bigger farmers and, in turn, have connections with local state legislative assemblymen representing their districts in the state capital. The constant interaction of politics and business at this level is intense, and economic development naturally follows this conduit.

In the village of Karnataka in south India where the author lived last year, Mrs Gandhi with her charismatic appeal could count on the poor and landless segment's votes regardless of the allegiance of the village headman.[3] Though there was much grumbling among the poor villagers over the corruption of local officials and the few benefits that actually reached down to them, they felt that the only measures taken to relieve them from bonded labour (due to chronic indebtedness to the bigger farmers) or to supply them with free housing material (often substandard because the material originally destined for them had been diverted by officials for their own gain) had come from Mrs Gandhi's Congress government (1971–7).

Old methods and new spirit

But both Mrs Gandhi in her old Rae Bareilly constituency, and Mr Jagjivan Ram, the Janata leader, himself an Untouchable, in his Bihar constituency, used the same time-honoured methods of India's politicians since independence to make sure of their votes. This means relying on a group of several thousand prominent citizens living in the constituency, who in return for getting preference in official contracts and development schemes at election times secure the votes from those who in turn depend on them. All kinds of labour contractors are for obvious reasons key figures. Mr Ram keeps a list of these 'master electors' with him lest he forget them and always receives them when they call on him in Delhi. Mrs Gandhi's old Rae Bareilly constituency reveals considerable industrial development at its urban centre, with a mass of still impoverished villages around its periphery.

But while these customary methods continue to be of major importance, the

[3] The elected headman was the biggest farmer and could pull most of the fellow members of the Vokkaliga caste—a middle-ranking Hindu peasant caste group which has emerged to dominate state politics—along with him to vote for Mrs Gandhi. Of the 25 Untouchable families in his village, landless labourers, he knew how all but three would vote.

March 1977 triumph of the Janata over Mrs Gandhi, who had anticipated a mere endorsement of her reign,[4] revealed that the conduct of the ordinary voter has been changing. What has emerged may be more important than the persisting and historically rooted Indian desire for a strong leader, which was exploited with consummate mastery in last January's election by Mrs Gandhi. Both the surprise victory of the motley collection of Janata leaders, most of them former prisoners who barely had time to cobble together a loose coalition in 1977, and their dwindling from around 305 to 72 members in the Lok Sabha of 1980 show the force of this popular sentiment, evidently less amenable to purely opportunistic considerations of material advantage than in the past. Very backward constituencies and pocket boroughs still exist, or course, and in one Himalayan group of villages a popular woman doctor merely had to go around in the days preceding the poll saying 'Vote for the hand' (Mrs Gandhi's party symbol) and gesticulating for everyone to fall into line.

Such examples are a warning against too much rationalization of Indian voting patterns. 'Rising Prices' or 'Law and Order' shouted by Mrs Gandhi may still be enough to do the trick. (But are not such slogans often vote-getters in 'sophisticated' European countries' elections too?) However, a few general remarks can be ventured. First, because India's economic development has been particularly skewed in the rural areas—the bigger farmers who have adopted the 'Green Revolution' did so with irrigation and other inputs subsidized by all the taxpayers, while the number of landless labourers swelled the ranks of the unemployed in the absence of any special public programmes for this sector—the ordinary voters have not been able to alter their dependent status.

Secondly, the failure of all Indian governments since independence to improve the mass literacy figures has kept the ordinary voter ignorant and ill-armed against the politicians. India's deteriorating literacy rate as a percentage of the population contrasts with that of developing countries with similar or even inferior per capita incomes. It constitutes the most damning proof of the lack of interest of India's political élites towards the rural world.

None the less, though levels of political awareness and judgment are evidently extremely varied and patchy, and interest and caste still play an important role, something like a critical spirit affecting a significant block of Indian voters has been manifest in several parts of the country. In March 1977, for instance, it was not true that, as has often been said, only the north rejected Mrs Gandhi; the proportion of her votes dropped in the south too, but as the water mark reached in 1971 was higher there her party did not forfeit so many seats.

The emerging new voting pattern has been called the 'chapati principle' by a thoughtful defeated Janata candidate; this is a metaphor based on the way Indian bakers make thin, unleavened daily bread: 'First you slap on one side, then you slap on the other'—i.e. first you throw out Mrs Gandhi and next the Janata. It would seem that the more aware among the electors, and that can mean the slightly more educated or intelligent man who dominates his village group, have learned to exercise the hidden power of their vote once every five years or at mid-term polls.

[4] See W. H. Morris-Jones, 'India discards dictatorship', *The World Today*, May 1977.

This may be a crude and negative way of asserting democratic rights. But so long as India's electorate is not better served by its political class or the nation is not blessed with more upright or abler men, what can the ordinary Indian voter, who still feels his traditional need for a leader, do? Kept in dependence by the politicians who aim to preserve their own comfortable jobs, deprived of village organizations based on rival political parties and without a major advance in literacy rates, there cannot be much greater hope for the grassroots of real democracy in India than the 'chapati principle'.

The voting pattern

There remain some detailed considerations about the way the voting went which reinforce these tentative conclusions about the obstacles the ordinary voters face at the hands of India's present politicians.

Though Mrs Gandhi swept the parliamentary board, the voters should not be the first to be blamed. Even in Mr Sanjay Gandhi's Amethi constituency, with all the expense and skills employed on his campaign, almost exactly as many voters abstained as turned out to poll, and only just over half (50·7 per cent) of the latter voted for him. It was the politicians of the Janata and Mr Charan Singh's Lok Dal party who, by splitting, brought Mrs Gandhi back to power.[5] Even so, after six months of their self-serving manœuvrings and non-government, in 70 out of the 85 constituencies which make up Uttar Pradesh, India's politically most important state, the combined vote for Janata and Lok Dal was around 50 per cent as against Mrs Gandhi's Congress vote averaging 35 per cent.

These results are more remarkable in view of 'the grotesque reliance of the electoral process on huge sums of money by the party machines', as Mrs Gandhi's author-cousin, Miss Nayantara Sahgal, wrote last month.[6] Miss Sahgal thought the funds had gone mostly to her cousin's party but noted that the movement had begun last July when 'the trade' gave generous assistance towards the defeat of Mr Desai's Janata government which was threatening to throttle it with a four-year programme of phased prohibition. One of the less publicized reasons for the failure of the Janata candidates was that several party leaders kept some of the money received from friendly industrialists for the 'rainy day' they saw coming.

The Indian voter can be seen to have had his own reasons for voting as he did, though they clearly do nothing to advance the country to that goal of socialism, democracy and secularism the politicians rashly pledged it to. The defeated Lok Dal Health Minister, Mr Rabi Ray, had this to say on the popular verdicts of 1977 and 1980: 'When there was repression they longed for freedom; when there was scarcity of kerosene [the chief means of lighting people's homes in the villages] they decided for firm government.' Lighting evidently comes before civil liberties, though Mrs Gandhi's record on rural electrification is better than Janata's only in the sense that she was in office longer.

[5] 'What happened?' a sweeper was asked on the morning after the election by a retired Indian journalist on his regular walk in Delhi's Janta Mantar Observatory gardens. 'They couldn't govern and then they fell to quarrelling among themselves' was the reply.

[6] See 'From euphoria to euphoria', *Indian Express*, 17 January 1980.

After watching Mr Ram wavering whether he should repeat his 1977 performance and bolt from his own party in order to retain a Cabinet post (as he has done almost uninterruptedly since 1946) by rejoining Mrs Gandhi, many voters clearly decided that they had had enough. They preferred to vote directly for Mrs Gandhi before the election results were out, instead of letting him cross the floor, without consulting them, when they were.

There is no doubt that caste also played a role—indeed, observance of caste may be the only 'principle' left in India's seedy politics today. The politicians led the way, despite their innumerable pledges to rid Indian society of this evil. But caste works subtly, it benefited Mrs Gandhi (as it so often has in the past) and Mr Charam Singh's Lok Dal, but rebounded against Mr Ram and the Janata party in their, according to orthodox Hindu values, unnatural alliance of an Untouchable leading a phalanx of high-caste Brahmins, Rajputs, Thakkurs and Bhumihars.

In Bihar, where all politics are caste politics, Mrs Gandhi got her customary high-caste votes. These were clearly not given because of hopes that her structural reforms might benefit the poorer sections, but because Mrs Gandhi's insistence on 'law and order' was understood to mean keeping down the arrogant middle-ranking castes (misnamed the 'backward classes') who supported the Lok Dal. This was because during the Janata rule in Bihar, Mr Singh's lieutenant, Mr Kapoori Thakkur, as Chief Minister, allocated 26 per cent of all government jobs to members of these groups, cutting into the traditional preserve of the marginally better educated upper castes. That Mr Thakkur was a traitor to his own caste only made the battle more bitter; once again Mrs Gandhi benefited.

In neighbouring Uttar Pradesh, Mr Singh's Lok Dal selected its candidates to fit the dominant caste patterns in the constituencies; with 32 per cent of the electorate in the state identified as middle-ranking castes, it won in 30 constituencies out of 85, despite Mrs Gandhi's Congress putting up a tough fight. The rump Janata party won only three seats out of 85, and not a single seat among the 18 constituencies reserved to Untouchable candidates, though Mr Ram was their leader.

In northern India, the bogey of a 'takeover' by the Hindu fundamentalist Jana Sangh, which lay behind Janata's break-up last summer, was completely disproved at the polls. The conduct of the higher castes in both states was particularly interesting and helps to underline all the ambiguity of Mrs Gandhi's victory. She managed to please both ends of the social scale, the Untouchables, the Muslims, and the higher castes who preferred not to split their vote and let in the middle-ranking castes by voting for what was their 'own caste party', the Janata. Despite all the sound and fury of her reforms for the poor, Mrs Gandhi had given sufficient proof during her previous period in office that she would leave her fellow high-caste Hindus (she is a Brahmin) unchallenged at the top of the social ladder and keep the others, unless they made their own efforts, where they belonged. This is what makes the block of 41 Lok Dal MPs, almost all from an agrarian and middle-ranking caste background who have learnt to fight for posts and favours for themselves, a phenomenon to be watched. But it is unlikely to

have much more national significance than the consolidation of the Marxist Communists in West Bengal with 35 seats. Moreover, these two largest opposition groups in the new Parliament are natural enemies.

Now that Mrs Gandhi has regained supreme power in India, there are already worrying signs of a tendency to bow towards the throne. A Delhi High Court judge has begun dismantling the special courts, set up to try Mrs Gandhi and others for abuses of power during the Emergency. Mr Vasantrao Sathe, the new Information and Broadcasting Minister, has announced that the government 'will judge the press by its objectivity.' ('It would do better not to judge it at all,' was the hearteningly swift reply in an editorial in the *Times of India* next day.)[7] Finally there is Mr Sanjay Gandhi, the Prime Minister's 33-year-old younger son, who wielded immense undefined power during the Emergency and who now has three of his friends in the new Cabinet—one of them as Home Affairs Minister and the other two in the important ministries of Commerce and of Energy and Irrigation. The newly appointed Lieutenant-Governor of Delhi and Delhi's police chief are also his close associates. On the Indian scene Mr Gandhi remains a dynamic, important, and completely unpredictable force.

[7] Since this article was written, Mrs Gandhi's government dismissed the legislative assemblies run by the opposition in nine states—Uttar Pradesh, Bihar, Rajasthan, Madhya Pradesh, Punjab, Tamil Nadu, Orissa, Gujarat and Maharashtra; they will remain under direct central rule until new elections to the Upper House, where the states are represented, can be held. *The Times*, 18 and 19 February 1980.

Spain's democracy: a remarkable first year

ROBERT HARVEY

On 27 December 1978, King Juan Carlos I signed into law the new Spanish Constitution drawn up over the preceding 18 months by Spain's first elected assembly in more than 40 years. The act set the seal on the remarkable process through which a king inherited the authoritarian powers of a dictator and promptly used them to turn his country into a democracy.

The transition under King Juan Carlos and the man he appointed from virtual obscurity to act as Prime Minister in 1976, Mr Adolfo Suárez, was virtually without precedent. By moving fast, Mr Suárez managed to defuse the growing pressure for change from Spain's opposition while giving the vested conservative interests being uprooted little time to rally their forces. By securing the co-operation of the opposition and the trade unions, the King and Mr Suárez managed to conduct the change in a climate of relative social peace. This made it difficult for the defenders of the Franco regime to claim that public order was being subverted. By lending his personal authority as Franco's anointed successor to the change, King Juan Carlos deprived the Francoists of their figurehead. By boldly taking the initiative on reform, the King and his Prime Minister won the affection and respect of the Spanish people, who after 40 years of Francoism were thirsting for change. In the 1977 elections they forswore radical alternatives and voted for a continuation of Mr Suárez's rule.

But it was far from clear at the end of 1978 that those conditions would continue. In October of the previous year, Mr Suárez's ruling party, the Democratic Centre Union (UCD), and the smaller right-wing Popular Alliance (AP) had joined the Socialist Workers' Party (PSOE) and the Communist Party in agreeing to a political truce and a common economic policy while the Constitution was being drawn up. By the following mid-summer, both parties were grumbling about the government's decision to postpone local elections and its apparent intention to hang on to power after the Constitution had been promulgated for the full four-year term to which it was entitled.

The opposition parties pointed out that the election of 1977 had been held in conditions of only half-freedom: the municipalities and counting officers had been largely staffed by Franco-appointed functionaries; mysterious breakdowns of the Interior Ministry computer tabulating the results had occurred during polling night; local results did not always tally with national returns; and the final results took nearly a year to collate. It was also pointed out that the Communist Party had been legalized for barely two months when the election took place, and the Socialists had had little longer to organize; and that much of the media remained

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under the government's control. Towards the end of 1978 the opposition parties decided to withdraw their co-operation from the government and declared that they would embark on a campaign of full-scale political opposition and trade union disruption if Mr Suárez refused to promise a general election for later in 1979.

The March 1979 election

Two days after the Constitution had been promulgated, Mr Suárez astounded his critics by announcing that an election would be held on 1 March. Once again he had pre-empted them: the opposition parties were caught with little time to organize or raise money for the campaign. Because the election would take place before the long-postponed municipal elections, the town halls would still be in the hands of officials sympathetic to the government. And as the right-wing Popular Alliance had split down the middle, Suárez could hope to pick up votes from the Right to try and obtain the overall majority in Parliament which had eluded him by 10 seats last time.

Suárez believed he had a good chance of staving off the challenge from the Left because it had been associated with unpopular economic policies agreed upon the previous year; because people would be frightened to experiment with socialism when terrorist attacks were increasing and the army was trying to press the government to move even further to the right; because the government retained its broadcasting monopoly; and because Spain's d'Hondt regional list system of proportional representation favoured the UCD-dominated rural areas more than the left-leaning cities.

Even so, the election was a considerable gamble. Spain had just undergone a fierce recession, which had caused unemployment to rise to about 8 per cent of the workforce. The country was still suffering from 17 per cent inflation. The Socialists had succeeded in projecting a moderate image which looked reassuring to Spaniards who might have considered voting for them in 1977 too risky. PSOE had been reinforced by a merger with the small Popular Socialist Party (PSP), which won 4 per cent in 1977, and was running ahead of the UCD in the polls.

In the event, the result was almost a carbon copy of the vote in 1977. Mr Suárez's UCD picked up an extra couple of seats but, with a total of 167, was still short of an overall majority in Parliament. The Popular Alliance, which had been renamed the Democratic Coalition under slightly different leadership, lost seven seats, bringing its total down to nine. The Socialist Workers' Party gained three seats, climbing to 121; and the Communists gained another three, reaching 23. The strength of the two main parties remained unchanged in percentage terms, at 35 per cent for the UCD and 29 per cent for PSOE. The Communists picked up a point and the Democratic Coalition lost 3 per cent. The electorate as a whole had shifted slightly to the left. Suárez had reason to be satisfied, even though he had fallen short of achieving an overall majority; Felipe González, the PSOE leader, acknowledged that his party would have longer to wait for power than had been apparent from the results in 1977.

The outcome showed Spanish democracy to be working very smoothly indeed.

The electorate had given proof of its consistency and its unflappability in the face of terrorism and a severe economic crisis. Voters had also showed themselves to be aware that a left-of-centre administration was likely to have trouble appeasing the right wing of Spain's army, and in satisfying the expectations of its followers at a time of economic stringency. Spaniards chose the safe road for their first four years of full democracy.

The main parties

The election also marked a milestone in the development of Spain's main parties. Few observers gave Mr Suárez's UCD much chance of surviving as a party when it swirled into being in early 1977 as an agglomeration of groups ranging from reformed Francoists to avowedly left-wing Christian Democrats. Mr Suárez had won a great deal of respect for his rapid dismantling of the Franco dictatorship, but he was still considered too much of a civil servant and too little of a politician to hold a political party together. As a former Francoist official, he was looked on with suspicion by the left-of-centre allies he had asked to join his party. As an opportunist, he was distrusted by the Right and in particular by the followers of the respected former Foreign Minister, José-María de Areilza, who had done more than anyone to make post-Franco Spain respectable in the eyes of the world, and whom he had elbowed aside for the leadership of the new centrist grouping.

Yet power proved to be the cement that bound together the disparate pro-government coalition. In October 1978, the party held its first congress, at which its 'catalogue of principles' was unveiled by the Secretary-General, Rafael Arias Salgado. These gave it much the same hierarchical structure as the British Conservative party. The party's 35-strong executive committee, from which Mr Suárez draws his inner party cabinet, is nominally elected by the 1,800-strong party congress, but must be vetted by him. The party's policy principles were similar to that of European Christian Democrat parties—combining Christian social beliefs, opposition to divorce, a commitment to the free-market economy tempered by concern for social justice, and a commitment to regional autonomy. The UCD's election victory the following March confirmed that the UCD would be cast in Mr Suárez's mould.

The PSOE's election defeat, on the other hand, plunged it into a crisis of conscience. The anodyne election campaign staged by Mr Felipe González came under fierce attack. The party leader was blamed for imposing his own list of moderate candidates on the party's executive and of tailoring its programme to lukewarm reformism. The party's manifesto promised to nationalize only a handful of industries in difficulty, such as steel and power, and to increase taxes slightly in order to redistribute wealth and to pay for a modest public investment programme.

The Socialists accepted the need for austerity and wage restraint—but less of it than the government was imposing. The party's one major difference with the UCD was its opposition to Spanish entry into Nato—which did not, however, become a live issue in the election campaign. Mr González's craving for respectability was such that he abandoned the casual, open-necked image he sported at

the previous election campaign. His media advisers suggested that informality made the Socialist Workers' Party look inexperienced. This time round, Mr González wore a sober suit and tie.

At the party's centenary congress in April, its more traditional Socialist cadres made their objections felt. The congress had been billed in advance by Mr González as the occasion when the party would be purged of its old commitment, in its statute, to Marxism. But the PSOE had just won convincing victories in local elections the same month, in alliance with the Communists. Its Marxist grass roots had been strengthened. And its President, Professor Tierno Galván, the new Mayor of Madrid (formerly leader of the Popular Socialist Party), undermined González's position at the congress. Three-fifths of the delegates voted to retain Marxism in the party's statute—prompting Mr González to resign unexpectedly on 20 May. The resignation helped to concentrate party minds on the choice before them—whether PSOE really wanted to follow in the leftward footsteps of France's Socialists under François Mitterrand, who had failed to win power in more than 20 years, or whether it wanted to take the more moderate path of West Germany's Social Democrats, in power for more than a decade. In addition, the PSOE had to consider the possible electoral damage to the party of losing Mr González, whom opinion polls still showed to be highly popular.

At a special congress in October, the Socialists thought better of lurching to the left and accepted a compromise whereby Marxism was reduced from its old status as the party's Alma Mater to that of just another ideological influence upon it. No serious contestant stepped forward to challenge Mr González, who returned triumphally to lead the party. Since then, he has shifted it even further towards the centre, vigorously attacking the Communists for allegedly returning to Stalinism. The Socialist General Confederation of Workers has also broken its alliance with the Communist Workers' Commissions to endorse the government's income policy. The PSOE's policy made it more likely that Spanish voters would one day feel safe in voting for it, that in office it would not endanger Spain's economic prosperity, and that the army would be prepared to tolerate such a government.

The Communists have undergone similar heart-searching since the election. In the two years since April 1977, when the party was legalized, its Secretary-General, Mr Santiago Carrillo, has carved a niche for himself as leader of the Eurocommunist movement—those Western Communist Parties who pledge themselves to supporting pluralist democracy and have been openly critical of some aspects of Soviet society. Carrillo's book 'Eurocommunism and the State' drew an angry denunciation from Russia for questioning the very socialist foundations of Soviet society. The party has formally abandoned its Leninist structure of 'democratic centralism' (although until 1979 it remained firmly under Carrillo's personal control) and has dropped the Leninist label from its statute altogether. In late 1978 the party even flirted for a time with the idea of forming a parliamentary alliance, over the heads of the Socialists, with the governing UCD.

After the March election, however, some regional Communist bosses began to make unfavourable comparisons with the success of Portugal's openly Stalinist Communist Party, which along with its allies had regularly polled nearly twice as

many votes, proportionately, as their Spanish comrades. The Workers' Commission's leaders, led by Mr Marcelino Camacho, began to question whether the argument with the Soviet Union was really worth continuing. They also signalled that a more militant trade union opposition would be mounted against the government. The party, in difficult financial straits, is reported to have been receiving money from Soviet Russia again for the first time in two years. Its obdurate opposition to Spanish membership of Nato and to the siting of medium-range nuclear missiles in Western Europe may be part of the price it is paying. Mr Carrillo, however, retains sufficient independence to have been able sharply to condemn, in January, the Soviet invasion of Afghanistan. In the medium term, the party seems likely—just—to stick to its Eurocommunist commitment along with the Italians, in sharp contrast with the French and Portuguese Communist Parties.

The economy and the terrorist threat

The astonishing stability and moderation of Spanish voters and politicians was the oil which made Spain's democratic wheels turn smoothly. The state of the economy over the past year has also given little cause for real concern. Spanish commentators bemoan the fact that inflation last year was running at above 16 per cent, at least 4 per cent more than the government's target, and that unemployment was running at 1·2 m.—some 8 per cent of the workforce. But the record has shown a continuing improvement since 1977 at a time when other economies were beginning to suffer the ill-effects of the latest oil-price increase. Last year inflation was slightly down from 1978 and substantially down from the 27 per cent registered in 1977. Socialist union moderation combined with restrictive credit policies suggests that it will be possible to hold inflation down to similar levels this year even though the OECD average is likely to rise substantially. Unemployment may increase, but so far there have been few political reverberations from it. The current account balance continued to show a healthy surplus of some $1·2 billion last year.

The only real threat to Spanish democracy has come from the terrorist organizations bent on provoking a right-wing backlash which, in their view, would help to radicalize public opinion behind them. Although there have been sporadic attacks by extreme right-wing groups, the two main angels of death have been from the far Left: the Marxist-Leninist Basque separatist organization, ETA, and the Madrid-based Marxist GRAPO movement. GRAPO has about 200 members and had staged several major attacks in the past. But last October 40 members of the organization, including its alleged leader, José-María Sanchez Casas, were rounded up. By then the group was thought to be getting logistical support from its deadlier sister, ETA.

The Basque group had split in 1977 into two wings—the more moderate ETA Politico-Militar, which was initially prepared to give Spanish democracy a chance, and the extremist ETA-Militar, which was wedded to the ideal of an independent Basque state, run by a Marxist-Leninist government and secured through violence. ETA-Militar had been murderously successful in 1978, killing some 60 people, nearly twice as many victims as the Red Brigades claimed in Italy over the same period. ETA-Militar's 1979 campaign got off to a spectacular start with the mur-

der of the military Governor of Madrid, an army major and a Supreme Court judge. By the summer some 30 more had died. ETA Politico-Militar temporarily came back in business in the summer, setting off a number of bombs at tourist resorts, at Madrid airport and at railway stations which claimed a handful of victims.

While an attempt was made to stiffen anti-terrorist measures, the government's response was largely political. In July Mr Suárez announced that he had reached agreement with Mr Carlos Garaicoetxea, the leader of the biggest Basque party, the Basque Nationalists, on a statute giving autonomy to the region. For more than a year, the government had been playing into ETA's hands, swelling its popular support by dragging its feet on moves towards autonomy, for fear of offending right-wingers in the army. The new agreement was, however, generous to the Basques. They were granted their own police force; powers to raise and spend taxes; and powers over industrial and economic policy, town and country planning, energy resources, public works, agriculture and fisheries, social services, culture, the state savings banks and local nationalized industries. In exchange, the Basques accepted Spanish sovereignty over the region. A similar statute was negotiated in August for Catalonia. Both were overwhelmingly approved in referenda last autumn. Statutes may now be negotiated for Galicia and Andalusia. ETA is keeping up the armed struggle, but it seems likely to lose much public sympathy in the Basque country if it starts shooting at Basque policemen and politicians.

The concession of autonomy and the terrorist campaigns have kept tempers short among the right-wing generals in Spain's army. Following the murder of the military Governor of Madrid, the Inspector-General of the Spanish Armed Forces, General Bartret, resigned and the commander of the Seville military garrison, General Pedro Merry Gordon, staged ominous manœuvres. In September, as ETA renewed its offensive, another leading right-winger, General Milans del Bosch, complained publicly that terrorism was not receiving an adequate response and that the army must intervene when legislative, police and judicial measures were seen to be insufficient.

Yet the King has used his constitutional authority to damp down army indignation, a prominent soldier, General Ibañez Freire, has been appointed Minister of the Interior, and pressure for military intervention seems to have been confined so far to a small right-wing group. Certainly the armed forces have accepted a greater degree of autonomy for the regions than they were expecting at the beginning of the year. Provided the government does not abandon its anti-terrorist resolve and the economic climate does not suddenly deteriorate, provoking social confrontation, Spain's democracy is alive and well and forging ahead.

Yugoslavia's Moslem problem

K. F. CVIIC

A LITTLE over a month before he was struck down by illness and had to hav his left leg amputated, President Tito paid a visit to Bosnia and Herzegovina, Republic of the Yugoslav Federation and a key strategic area rich in miner resources and containing the bulk of the Yugoslav armaments industry. At meeting with party and government leaders in his country seat in Bugojno o 25 November, President Tito touched on the Republic's nationality problem condemning particularly the 'undermining activity of some clericalist circle which, he said, had to be 'nipped in the bud, by taking severe measures if nece sary'.[1] He did not say which 'clericalist circles' he had in mind, but everybody i Bosnia and Herzegovina knew that he meant the religious leaders of the Mosler community there.

These leaders had already been criticized at an important conference o nationality questions held in Banja Luka, also in Bosnia, earlier that month. M Hamdija Pozderac, who sits on the 24-member party Presidium in Belgrade an is himself a Moslem from Bosnia, attacked them for their failure to condemn th 'manipulation of religious institutions and of religion itself in the name of the sc called defence of Moslem national interests'.[2] Pan-Islamic nationalism, M Pozderac argued, was against the Party's nationality policy because it envisage brotherhood and unity solely with the Islamic peoples.

For over a decade, Bosnia's Moslems (1·5 million in the last 1971 census, wit another 200,000 living in other Yugoslav federal republics) had been a priz exhibit of the Tito regime, especially in its relations with the Moslem countries o the Third World. How did they come under fire? How did they become a separat nationality in the first place?

The bulk of today's Bosnian Moslems are the direct descendants of the ol inhabitants of Bosnia before it was overrun by the Turks in 1463. These were eithe Catholics or belonged to the *Bogomil* sect which had become widespread i Bosnia and was heavily persecuted by the Catholic Church. The bulk of today' Orthodox in Bosnia are descendants of migrants who came to Bosnia unde Turkish rule, or of Catholics who embraced Orthodoxy under the influence of th well-organized Orthodox Church. Bosnian Moslems are Slavs, unlike their co religionists in today's Yugoslavia—the Albanians (1·3 million in 1971, of whon just under 1 million lived in Kosovo, the autonomous region of the Republic o Serbia) and the Turks (just over 100,000 in 1971, living in the Republic of Mace donia).

During Austria-Hungary's rule in Bosnia, which began in 1878 when Turke was obliged to withdraw and lasted till 1918, the Croats living in the monarch demanded that Bosnia should be united with the other ancient Croat lands als

[1] *Borba*, 26 November 1979. [2] *ibid.*, 6 November 1979.

The author is on the staff of *The Economist*.

under Habsburg rule. But the Hungarians opposed this, fearing (probably correctly) that it would be the first step towards the formation of the third Slav unit of the Habsburg empire and the end of the dualist regime in which the Hungarians were one of the two senior partners. So Bosnia was placed under the direction first of the joint Austro-Hungarian Foreign Ministry and later of the Finance Ministry. The Serbs, on the other hand, agitated for the union of Bosnia with Serbia on the grounds that the Serbian Orthodox in Bosnia were the largest of the three religious groups. The Austro-Hungarian authorities tried to encourage the formation of a separate 'Bosnian' nationality taking in all the major groups, and the official language was called 'Bosnian'.

In the first, royalist, Yugoslavia which was formed in 1918, the Bosnian Moslems were not treated well. The Belgrade government saw them as a chief obstacle to Serbia's complete control over Bosnia. On the other hand, it needed their votes and this was something the Moslem leaders learnt to exploit for their political ends. Of the 24 Moslem deputies elected to the first Yugoslav Constituent Assembly in Belgrade on 28 November 1920, 22 declared themselves Croats, but the chairman and secretary of the United Moslem Organization (JMO) club in the Assembly diplomatically called themselves 'Yugoslavs'. The bitter Croat-Serb rivalry for Bosnia continued till the dismemberment of Yugoslavia in 1941, with some members of the Moslem intelligentsia declaring themselves Croats and others Serbs.[3] Dr Dzafer-beg Kulenovic, who became leader of the JMO in 1939, declared himself a Croat and in 1941 joined the government of Ante Pavelic in Zagreb, remaining its first Vice-Premier till that regime's collapse in 1945; he then made his escape to Syria where he died in 1956. Right from the beginning of the Pavelic rule, many leading Bosnian Moslems protested against the atrocities of his regime and gradually more Moslems began to join the Tito partisans. But the enmity between the Moslems and the Serbian royalist *cetnik* guerrillas endured till the end.

The Tito regime at first took the view that these Moslems were either Serbs or Croats, as Mr Vladimir Bakaric, a member of both the party Presidium and the collective state Presidency, explained in a recent television interview.[4] But the recognition that, as Mr Bakaric said, 'not only the faith but the whole way of life determines these people' came much later. To begin with, the Moslems were given a chance of either declaring themselves as Serbs or Croats or as 'nationally non-aligned Moslems'. In reality, the first two decades of Tito's Yugoslavia were a very uncomfortable time for the Moslems—as they were for the Croat population of Bosnia. The situation improved radically in 1966 with the overthrow of Alexander Rankovic, the powerful secret police chief and a hardliner. The main targets of his police in Bosnia before 1966 had been the Moslems and the Croats—as in Kosovo it had been the Albanians, also regarded as 'untrustworthy'. After 1966 even the Bosnian Serb leaders such as Cvijetin Mijatovic admitted that life

[3] The most curious, perhaps, was the case of the writer and winner of the Nobel prize for 1961, Ivo Andric, who came of a Catholic Bosnian family and started life as a Croat author publishing in Zagreb, but later joined the royal diplomatic service and began calling himself a Serb.

[4] *Borba*, 23 January 1980.

had been tough for Moslems and Croats in Bosnia. In a speech at a party conference on 19 June 1971, Avdo Humo, one of the top Moslem leaders, said: 'The worst treated were the institutions of the Croat and Moslem people. Those people were nationally oppressed and under strong pressure from the unitarist-centralist authorities. In the policy of assimilation and decentralization of the Moslems there was always present an attempt by the authorities to turn the Moslem national institutions into Serbian Moslem institutions'.[5]

However, in January 1968, the Bosnian Moslems were officially recognized as a separate ethnic group and were accorded the status of a full nationality. That status was extended only to Moslems living in Bosnia, Serbia (without Kosovo), Montenegro and Croatia. Albanian-speaking Moslems of Kosovo remained Albanians and Macedonian-speaking Moslems in Macedonia Macedonians. By 1971 the Moslems of Bosnia had gained the numerical majority in the Republic: there were 1,482,430 Moslems (39·6 per cent of the total population); 1,393,148 Serbs (37·2 per cent of the total); and 772,491 Croats (20·6 per cent of the total).[6] At the previous census in 1961, the Moslems were only 25·7 per cent of the total population while the Serbs were 42·9 per cent and the Croats 21·7 per cent. The reason for the enormous increase in Moslem strength was partly the Moslems' high birth rate. There was also the fact that many of the Moslems who had previously declared themselves to be Serbs or non-aligned Yugoslavs now came out as Moslems. The figure for 'non-aligned Yugoslavs' was 8·4 per cent in 1961 and only 1·2 per cent in 1971. The Serbs' proportion of the total population was 42·9 per cent in 1961, 5·7 per cent more than in 1971.

Parallel with recognition as a separate nationality, the Moslems received other forms of encouragement. Many were allowed to study at Arab universities. They also regularly made the pilgrimage to Mecca: of the 2 million or so Moslem pilgrims to Mecca in 1978, some 1,500 came from Bosnia. About 50 per cent of all Moslem children receive religious education in many of the new mosques that have been built since 1966 with some help from friendly Islamic states but largely through the efforts of the zealous Moslems in Bosnia's towns and villages. The higher theological school in Sarajevo, the capital of Bosnia, can accommodate each year only a fraction of those who would like to study to become Moslem imams. Yugoslav diplomacy has made good use of these Moslems in recent years and hardly a delegation has gone to a Moslem country without some Moslem from Bosnia belonging to it. Conversely, leaders of Islamic states visiting Yugoslavia were regularly brought to Sarajevo where they would receive a big welcome from local fellow Moslems.

As part of the new policy of favouring the Bosnian Moslems, a strict ban was imposed on any expressions of old rivalry. When the partisan war hero and Minister in the post-war Tito government in Belgrade, General Veceslav Holjevac, referred to the emigration of *Croat* Moslems from Bosnia in the 1878–1918 period in a book published in 1968,[7] he was severely criticized in the press.

[5] Vjesnik, 5 July 1971. [6] *Statisticki Bilten* (Belgrade), April 1972.
[7] Veceslav Holjevac, *Hrvati izvan domovine* (Croats Outside Their Fatherland) (Zagreb: Matica hrvatska, 1968).

The first signs of official displeasure with the Moslems came in 1978 when Mr Pozderac attacked Moslem nationalists who, he alleged, wished to turn Bosnia and Herzegovina into the 'exclusive fatherland' of the Moslems on the pretext that Serbs and Croats who live in the same Republic already have their homeland in Serbia or Croatia. He also accused Moslem nationalists of wanting to exercise control over their fellow Moslems in Croatia, Serbia and Montenegro.[8] The clearest signal of the coming storm was the publication in the main Sarajevo daily *Oslobodjenje* from 6 August till 9 September of last year of extracts from a forthcoming book by a Moslem writer and former Tito partisan, Dervis Susic. The extracts, published under the title *Od Vidovdanskog ustava do Pavelicevog kabineta* (From the St Vitus Constitution to Pavelic's Cabinet), provoked an enormous interest in the Republic, because in them the author criticized the Moslem religious and political leaders both before the Second World War and during it, something that had not been done in Bosnia for political reasons since 1945.

On 15 September 1979, Mr Susic was attacked in *Preporod*, the fortnightly organ (circulation: 31,500) of the Association of the Islamic Clergy in Bosnia and Herzegovina. *Preporod*'s editor, Mr Hilmo Neimralija, reproached Mr Susic for representing the pre-war and wartime Moslem leaders as 'plunderers' and 'traitors to their own people' and for depicting the whole of Bosnia's Islamic past from 1463 till 1878 as a 'kingdom of darkness and stupidity'. *Preporod* also complained that Mr Susic exaggerated the degree of the Bosnian Moslems' collaboration with the Nazis during the Second World War and largely ignored their protests against the atrocities of Pavelic's regime and their participation in the partisan war. The paper also surmised correctly that the articles could not have been published and given extensive publicity on radio and television without the prior approval of the higher authorities. The subsequent attacks in November confirmed this. But the reprisals have so far at any rate been mild, perhaps because the authorities do not want to offend the non-aligned Moslem countries. There have been meetings of pro-regime imams criticizing *Preporod*, and in December its editors were changed. It is now edited by the chairman of the Islamic community for Bosnia and Herzegovina, Dr Ahmed Smajlovic, a regime figure. Significantly, the paper under its new editors sported a new masthead with its title *Preporod* not only in Arabic and (Croat) Latin script as before but also in the (Serbian) Cyrillic. Still more curious, the Cyrillic inscription was dropped after the first issue—presumably in response to protests by Moslem readers. But why was this action against *Preporod* and its editors, both of them senior officials working for the supreme Moslem religious leader in the whole of Yugoslavia, Reis-ul-Ulema, Haim Hadziabdic, taken at all?

The official explanation is that, as the leading party ideologist in Sarajevo, Dr Fuad Muhic, told the Zagreb magazine *Start* of 28 November 1979, these Bosnian Moslem religious leaders had fallen for a form of Khomeini-style fundamentalism and that their views represented a facet of the new ideological Right that is emerging in Yugoslavia. The fundamentalist charge is not easy to accept because, over the years, *Preporod* and other Moslem publications in Yugoslavia had prided

[8] *Borba*, 11 May 1978.

themselves on their enlightened attitude in social matters—towards women, for example. In fact, they had consistently stressed their position as the westernmost outpost of Islam. The paper has certainly been critical of Marxism and atheism but no more so than the corresponding Catholic and other Christian publications, notably the Catholic fortnightly in Zagreb, *Glas Koncila*, which does not mince its words and somehow manages to get away with it.

Another possibility is that the authorities might be afraid of the emergence of a new Islamic block in the south of Yugoslavia, which would embrace not only the Bosnian Moslems and their brothers living in the other republics but also the Albanians living both in Kosovo and in Macedonia. There is so far no evidence of such a block forming because the Albanians look to Tirana and have religious rather than political links with Bosnian Moslems. Neither they nor the Bosnian Moslems—despite a certain sympathy expressed for the current revival of Islam in the world—have gone overboard for Khomeini, who in any case is a Shia, while the Moslems of Yugoslavia are Sunni. But a Moslem, non-Marxist block of this kind could be a political threat to the regime if it were ever to come about.

The likeliest explanation of the crackdown is that it is meant to prevent the coalescence of the newly self-confident Moslems of Bosnia with the Croats both within the Bosnian Republic and also in Croatia itself. In Bosnia, the Moslems and the Croats already have a majority of 60 per cent. The authorities are actively discouraging the links between the Moslems living in Croatia and those in Bosnia. After years of repeated demands, permission has not yet been granted for the building of a new mosque in Zagreb to replace the one whose minarets, put up by the Pavelic regime in 1941, were pulled down by the Tito regime in 1945. The mosque was turned into a museum of the partisan war. The party leaders may not want Croatia to become once again a pole of attraction for Bosnian Moslems.

The Bosnian Moslems are, however, likely to want to keep their independence. But the Croat and Bosnian republics of the Yugoslav Federation do form a geographic unit and have strong common economic interests. Any future link-up between the two would probably worry quite a lot of Serbs because they would see in it the emergence of a possible counterweight or even a rival to Serbia. But the Bosnian Moslems' march forward cannot be stopped: at the next census in 1981, they are expected to have in Bosnia and Herzegovina an absolute majority of 50 or even 60 per cent.

Lomé II: a new ACP–EEC agreement

CAROL COSGROVE TWITCHETT

THE original Lomé Convention linking the EEC with some 58 African, Caribbean and Pacific states (the ACP) expired on 29 February 1980.[1] The relationship was renewed, however, by the second Lomé Convention signed on 31 October 1979.[2] To the background beat of Togo's bongo drums, Michael O'Kennedy, Ireland's Foreign Minister representing the EEC, invited the assembled company to welcome Lomé II as a constructive initiative in North–South relations.

The ACP representatives, doubtless bemused by Mr O'Kennedy's use of Irish as well as English, were less euphoric. They were acutely aware of Lomé II's deficiencies judged in the light of their own negotiating demands. Throughout the 1978–9 negotiations to renew the 1975 Lomé Convention they rejected the notion of a purely cosmetic exercise and pursued a maximalist negotiating strategy.[3] They pointed to their rapidly deteriorating trade balance with the EEC (passing from surplus to deficit under the first Lomé regime), the stultifying impact of the rules of origin and the cumbersome aid procedures. Disillusioned with the existing partnership, the ACP negotiators were none the less sanguine about the prospects for major advances.[4] They preserved a precarious unity during the negotiations despite their own internal conflicts and dissension—between African, Caribbean and Pacific interests; anglophone versus francophone; richer versus less developed; and even within Africa, between West Africa and the states of Central and East Africa. Signature of the new Convention was delayed by intra-ACP differences triggered by the peremptory EEC announcement in June 1979 of the end of negotiations.

The 1979 Convention, like its predecessor, rests on three principal features.[5]

[1] The ACP states are divided into the following categories by the Convention: *The Least Developed*—Benin, Botswana, Burundi, Cape Verde, Central African Republic, Chad, Comoros, Djibouti, Dominica, Ethiopia, The Gambia, Grenada, Guinea, Guinea-Bissau, Kiribati, Lesotho, Malawi, Mali, Mauritania, Niger, Rwanda, São Tomé e Principe, Samoa, Seychelles, Sierra Leone, Solomon Is, Somalia, St Lucia, Sudan, Swaziland, Tanzania, Togo, Tonga, Tuvalu, Uganda and Upper Volta. (Many of these are in fact islands or landlocked states).

The Island and Landlocked—Bahamas, Barbados, Equatorial Guinea, Fiji, Jamaica, Madagascar, Mauritius, Papua-New Guinea, Trinidad and Tobago, and Zambia.

The Others—Cameroon, Congo, Gabon, Ghana, Guyana, Ivory Coast, Kenya, Liberia, Nigeria, Senegal, Surinam and Zaire. (Zaire has requested to be included in the landlocked group.)

[2] Lomé II cannot come into force until it is ratified by all nine EEC member states and two-thirds of the ACP states. This is unlikely to happen until the autumn of 1980 at the earliest.

[3] *Ministerial Conference opening the negotiations on the new ACP–EEC Convention*, Doc. ACP/CEE/95-e/78.

[4] See the statement by the ACP Council President, Michel Anchouey of Gabon, in *Europe*, no. 2708, 28 June 1979, p. 4.

[5] For an analysis of the first Lomé Convention and its predecessors see Carol Cosgrove Twitchett, *Europe and Africa: from Association to Partnership* (London: Saxon House, 1978).

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First, duty-free and quota-free access for nearly all ACP exports to the EEC, without reciprocity but subject to safeguards for highly sensitive goods and a special regime for products covered by the EEC's Common Agricultural Policy. Second, a broad range of financial and technical co-operation instruments. Third, an elaborate institutional framework for managing the relationship based on EEC-ACP parity. Compared with Lomé I, the new Convention places significantly greater emphasis on the ACP's responsibility for their own economic development, involving them in a wide range of consultative and decision-making processes, encouraging both rural modernization and industrialization of the ACP economies, fostering mining and the associated exploitation of ACP natural resources, developing adequate energy supplies, stimulating regional co-operation, and trade promotion. The 1979 agreement introduces special sections on minerals, investment issues, agricultural co-operation and special provisions for least-developed, island and landlocked ACP countries. It also includes similar sections to the first Lomé ones on trade, export earnings stabilization (Stabex), industrial co-operation, financial and technical assistance, rules on establishment, institutional and general provisions. It expires on 1 March 1985.

Judged against ACP demands, the new agreement leaves much to be desired. Among other things, the ACP advocated completely free access to the EEC (including all their agricultural products); removing safeguards limiting their industrial exports; guarantees regarding the maintenance of their preferences in the EEC market and against adverse effects of enlarging the Community; a mechanism to guarantee their import capacity; trebling the resources allocated to financial and technical co-operation; and instituting co-management of the European Development Fund (EDF). Perhaps the absence of any reference to human rights in the new Convention could be viewed as a victory for the ACP, since they rejected the human rights proposals of the United Kingdom and the Netherlands. But at the end of the negotiations the ACP states were confronted with a stark alternative—they could either accept or reject the EEC offers. While hard bargaining took place, the 1979 agreement underlines that the EEC imposed its conception of the partnership on the ACP states.

Trade co-operation

The new Convention represents a limited advance for the ACP states on the first Lomé trade provisions. More than 98 per cent of their exports have duty-free access to the Community, but in fact some 80 per cent of these products would meet no duties because of zero rates under the common external tariff, EEC generalized preferences (GSP) and the GATT multilateral trade agreements. The ACP are aware that their preferences could be further eroded by Community agreements with other countries—such as the Maghreb one (Algeria, Morocco and Tunisia). While the non-reciprocity principle was maintained, the ACP group allege that the balance has shifted in the EEC's favour, as they are required to grant the Community no less favourable treatment than to the 'most-favoured-third-industrialized state'. The EEC also insisted on maintaining the Lomé rules of origin, although conceding broader scope for derogations. The Community

also accepted that the produce of ACP territorial waters should be covered by the concept of the origin of products—potentially important for fish-processing industries in ACP states.

A positive gain for the ACP is the greater stress placed on regional co-operation and intra-ACP commercial co-operation. There are improved arrangements for bananas and rum, and the ACP beef and veal export quota is increased from 27,532 t. per annum to 30,000 t.[6] There is a 90 per cent reduction in the common agricultural policy levy for this beef and, a significant improvement, an ACP state can carry over quota quantities from one year to the next if production is affected by drought, cyclones or animal diseases. The ACP negotiators also won concessions for tomatoes, carrots, onions, asparagus, mushrooms, tropical fruit juices and maize. Sugar, the single most important ACP commodity subject to the Common Agricultural Policy, did not feature in the negotiations as the 1975 ACP–EEC agreement runs until 1982.

The Lomé II trade promotion clauses represent a clear gain for the ACP states, which should benefit from a wide range of EEC-financed measures. The ACP group was less successful in persuading the Community to dispense with safeguard clauses, although the EEC undertook not to use them for protectionist purposes. The new Convention does provide a specific framework for resort to safeguards and wide consultation procedures. The ACP states are justifiably sceptical about the likely effectiveness of this machinery, however, given the EEC's poor record on consultation regarding textiles in recent years, and they have no recourse to sanctions or compensation.

Stabex and minerals

The ACP states valued the Lomé Stabex scheme and sought unsuccessfully to extend it to cover *all* their exports and services (including tourism), so providing a mechanism for sustaining their export-earned import capacity. They also proposed abolishing dependence thresholds and reducing the trigger figure to 3 per cent (compared with 7·5 per cent under Lomé I). Although they did not succeed, the new Stabex scheme nevertheless represents a significant advance. The list of eligible products is greatly extended and 550 million EUA (375 m. under Lomé I) is allocated to financing Stabex transfers, to be administered by the European Commission.[7] Under the new regime an ACP state may benefit from Stabex if its export receipts from an eligible product reach a 6·5 per cent threshold (7·5 per

[6] This quota applies to boned and boneless meat and is divided among the main ACP producers as follows: Botswana—19,814 t., Kenya—130 t., Madagascar—6,956 t., and Swaziland—3,100 t. Under the first Lomé Convention the beef and veal quota had to be renegotiated annually, but under Lomé II it applies for the duration of the Convention.

[7] The European Unit of Account (EUA) equals approximately 67p. The following products are covered by Stabex: groundnuts, groundnut oil; cocoa beans, paste and butter; coffee—raw, roasted, extracts and essences; cotton and linters; coconuts, copra and coconut oil; palm oil, palm nut and kernel oil, palm nuts and kernels; raw hides, skins and leather; wood—rough, squared or sawn lengthwise; bananas; tea; sisal; vanilla; cloves; wool; mohair; gum arabic; pyrethrum; essential oils; sesame seeds*; cashew kernels*; pepper*; shrimps and prawns*; squid*; cotton seeds*; oil cake*; rubber*; peas*; beans*; lentils*; iron ore and pyrites.

* Newly eligible products. Raw tobacco will probably be added to this list, and discussions continue regarding citrus fruit.

cent under Lomé I) of total export revenue in the previous year, the threshold being 5 per cent (5 per cent) for sisal and 2 per cent (2·5 per cent) for the least-developed ACP states. Stabex transfers are triggered when actual earnings from exports to the EEC of an eligible commodity fall 6·5 per cent (7·5 per cent) below a reference level. This is a rolling reference point made up of average export earnings over the preceding four years. For least-developed ACP states the trigger is reduced to 2 per cent (2·5 per cent) and the reference period to three years. There are also special provisions to encourage diversification of ACP exports of Stabex commodities and derogations benefiting those ACP states not sending the bulk of their exports to the EEC and who would not otherwise be eligible.[8] ACP beneficiaries, excepting the least-developed, are expected to repay Stabex transfers over seven years if export earnings increase and repayments can be in local currency.

An important innovation in the new Convention is a scheme to promote ACP mineral production and assist in stabilizing export revenue derived from minerals.[9] The so-called Minex scheme covers copper, cobalt, bauxite, alumina, tin, manganese and phosphates. Iron ore and pyrites will gradually be transferred from Stabex to Minex.[10] 280 m. EUA is allocated for Minex transfers, to be administered by the Commission under similar rules to Stabex. Mineral production must have constituted at least 15 per cent of an ACP state's export earnings during the previous four years (10 per cent in the case of least-developed, island and land-locked states). The trigger is a fall of 10 per cent or more in productive capacity or export earnings, the Minex transfers taking the form of soft loans. The extent of transfers is limited by the stipulation that under no circumstances any one ACP state may be eligible for more than 50 per cent of total Minex funds allocated for each year. The new agreement also places special emphasis on developing ACP mining industries and seeking more secure energy sources, committing technical assistance, risk capital and extensive European Investment Bank (EIB) funds to these sectors.

Investment, industrial and agricultural co-operation

To encourage EEC investments there is a new guarantee against expropriation—its precise scope and definition being the subject of a major dispute between EEC and ACP negotiators. The ACP states viewed Community insistence on investment guarantees with grave suspicion, interpreting it as compromising their sovereignty. They successfully stipulated that European investors must adhere to 'the development objectives and priorities and appropriate laws and regulations of the ACP states'. In return, the ACP agreed that when signing special agreements with a Member State (many have already done so with Germany), they will extend the same treatment to investments from all other EEC states. Alongside the new

[8] Burundi, Ethiopia, Guinea-Bissau, Rwanda, Swaziland, Comoros, Lesotho, Samoa, Seychelles, Tonga, Cape Verde, Solomon Is and Tuvalu.

[9] The principal potential beneficiaries are Zambia, Zaire, New Guinea, Togo, Senegal, Guinea, Jamaica, Surinam, Guyana, Gabon and Niger.

[10] A unilateral ACP declaration attached to the new Convention records that the EEC refused to include chrome, graphite, diamonds, clinker and uranium.

Lomé Convention, the European Commission is proposing the negotiation of investment security codes between the EEC and developing countries generally.[11]

The ACP states (especially Nigeria) sought to introduce a special Industrial Development Fund into their partnership with the Community, but the Nine rejected this proposal. Nevertheless, the Lomé II industrial co-operation provisions are much more tailored to their demands than were the first Lomé ones. The new clauses focus on industrial training and the development of indigenous technologies, promoting links between small and medium-sized firms in both groups, domestic processing of ACP raw materials, and EEC contributions to setting up and extending firms in ACP countries in a range of sectors likely to assist industrialization. The 1979 regime also places new stress on research and development in energy. The Committee on Industrial Co-operation established by the first Lomé Convention continues as the linchpin of ACP–EEC efforts in this field and there is a joint ACP–EEC declaration to seek new financial resources for ACP industrialization.

Another significant gain for the ACP states is the EEC pledge to promote ACP agricultural production both for domestic consumption and for export, especially within a regional context. A new Technical Centre for Agricultural and Rural Co-operation is established, jointly administered by the ACP–EEC institutions, with a special role in promoting food production. New emphasis is also placed on fishery and fish farm projects.

In response to ACP criticisms, the EEC agreed to consultations regarding food aid (itself outside the Convention and subject to unilateral Community policies). The ACP also requested access to EEC agricultural surpluses at reduced prices, but the Community only agreed to 'commercial transactions' which promote 'greater stability of supplies'.[12]

Financial and technical co-operation

The negotiations almost broke down on the contentious issue of the scale of EEC aid for ACP development. Even as late as their Brussels ministerial meeting in September 1979, the ACP states were divided about whether to accept or reject the EEC's final offer. It amounted to 5,607 m. EUA for the period 1980–5, falling far short of ACP expectations and, in their view, failing to take account of the increased number of ACP signatories—46 in 1975, 58 in 1979. The ACP states were forced to accept that neither France nor the United Kingdom, the EEC members with the most extensive ACP links, would contemplate significant increases in their EDF contributions despite exhortations by the European Commission, Germany and the Netherlands to raise the aid figure.

Of the resources available for financial and technical co-operation, the EDF will provide 4,542 m. EUA mainly in grants: the EIB will provide 685 m. EUA in loans; and 180 m. EUA is set aside from the Community budget to finance EEC delega-

[11] *Euroform*, N. 5/78m annex 2, p. 2.

[12] EEC Declaration on the supply of agricultural products available in the Community, attached to the Convention.

tions in the ACP states.[13] The Member States agreed to contribute to the EDF in the following proportions: Germany—28·1 per cent, France—25·6 per cent, United Kingdom—18 per cent, Italy—11·5 per cent, Netherlands—7·5 per cent, Belgium—5·9 per cent, Denmark—2·5 per cent, Eire—0·6 per cent, and Luxembourg—0·2 per cent. The EDF's resources will be allocated under various titles—550 m. for Stabex, 280 m. for Minex, 40 m. for trade promotion, 200 m. for emergency aid, and the remainder for project and programme aid of which 15 per cent will be for financing regional schemes.

While the EEC rejected the ACP proposal for joint management of the EDF, there is a new stress on ACP participation at all stages and all levels in managing the instruments of financial and technical co-operation. The EEC retains ultimate control, but respective ACP and EEC responsibilities are spelt out in much more detail than ever before—with explicit joint responsibility for aid policy resting on equality of partnership. A new ACP–EEC Committee is to be established with equal representation, meeting quarterly to review financial and technical co-operation alongside the Committee of Ambassadors.

EDF and EIB financing techniques remain generally similar to the Lomé I provisions, with special treatment for the least-developed ACP states. An innovation, however, is the recognition that landlocked ACP states need special help in the transport, communications and energy sectors, while island ACP states are accorded special priority regarding fishing and transport. Another innovation is that EDF resources may in certain circumstances be used to cover current administrative and operating expenses which under previous agreements had been the ACP states' responsibility.

The indicative programme for each ACP state remains the key to EDF participation in its economic and social development. These programmes, to be adopted by mutual ACP–EEC agreement, set the parameters for EEC financial and technical assistance for each ACP state for the period 1980–5. The EEC sought to respond positively to ACP complaints that the EDF is an excessively slow and bureaucratic aid agency, by introducing accelerated procedures based on multiannual programmes, particularly in the fields of training, technical co-operation, trade promotion and micro-projects.[14] As under the first Lomé Convention, the character of the aid relationship will be dictated to a large extent by the EDF's Chief Authorizing Officer, the ACP-appointed National Authorizing Officers and the Commission's Delegates resident in the ACP countries. Overall, however, most ACP states would prefer the EEC to forgo its image as an aid benefactor and accentuate a more mutually advantageous trade relationship.

General and institutional provisions

There are few innovations in the remainder of the second Lomé Convention.

[13] The ACP group particularly resented the fact that under the Lomé I regime the cost of EEC delegations was deducted from their EDF allocations. The Overseas Development Institute (London) estimates that the delegation at Yaoundé in Cameroon cost more than $800,000 a year.

[14] Projects involving an EDF contribution of less than 75,000 EUA. Given the involvement of nine separate national accounting traditions and the determination of many EEC Ministries of Finance to supervise EDF operations, it is hardly surprising that its procedures seem to be

It restates the Lomé I provisions regarding establishment, services, payments and capital movements. A *Joint Declaration* attached to the Convention guarantees ACP workers who are legally resident in an EEC member state the same working conditions and employment-related social security entitlements as EEC nationals both for themselves and family members living with them. The ACP must give reciprocal undertakings.

The *institutional framework* established in 1975 continues. The chief executive organ is the Council of Ministers composed on the one hand of representatives from the EEC Member States and the Commission, and on the other of representatives from each ACP state. The Council meets annually taking decisions by mutual agreement, the chairman being alternately a representative from the EEC and ACP states. Its decisions are binding. The Council is assisted by a Committee of Ambassadors to whom it may delegate extensive powers. The Committee is based on ACP–EEC parity and is responsible for the Convention's general implementation. It may submit proposals to the Council and it supervises the work of the other committees. Finally, a Consultative Assembly convenes once a year to consider the Council's annual report. The Consultative Assembly is composed on a basis of parity between delegates from the European Parliament and the ACP states —the latter are not necessarily parliamentarians. In the event of disputes regarding the Convention, the Council of Ministers may establish a good offices procedure—no permanent adjudication machinery is provided.

A persistent criticism of the ACP–EEC partnership is its limited geographical scope—in particular, the exclusion of Asian and Latin-American developing countries. The 1979 Convention maintains the exclusive character of the relationship. Any country or territory listed in Part IV of the Rome Treaty may on independence accede to the agreement at the discretion of the ACP–EEC Council of Ministers. Furthermore, the new Convention provides that requests for accession from other countries of comparable economic structure and production may be considered by the Council. Angola and Mozambique both sent observers to some of the ACP–EEC meetings during 1978–9, but it seems unlikely that they will join in the partnership.[15] It is highly probable that an independent Zimbabwe-Rhodesia will be invited to accede to Lomé II.

* * * * *

The second Lomé Convention falls short of ACP expectations. Their exports to the EEC, even of the most sensitive products, are highly marginal. The bulk of ACP–EEC trade is complementary and not competitive—a more generous approach would have cost the EEC very little. The ACP were well aware of the adverse economic conditions confronting the Nine and recognized that Community concessions would be limited. But from the perspective of most ACP states, the economic recession of the mid-1970s had had an equally severe if not greater impact on their development prospects. Western European citizens themselves on the whole remain immensely better off financially than those in Africa,

[15] More recently Haiti made tentative approaches, but the EEC has not yet reached any definite decision.

the Caribbean and the Pacific. The negative style of EEC communications and responses regarding aid have detracted somewhat from any diplomatic gains accruing to the Community through renewing the development partnership. For the ACP states, the new international economic order remains a distant goal.

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Note of the month

THE CAP: RECONCILING THE IRRECONCILABLE

LAST year, the Agricultural Ministers of the Nine took almost five months to reach an agreement on farm prices; they are not finding it any easier this year. In theory, the prices should have been determined by the end of March so that the new arrangements could come into effect for the marketing year beginning on 1 April: after the Council meeting on 3 and 4 March, only one or two super-optimists were prepared to suggest that there was even an outside chance of agreement being reached before June. An already complex and politically charged negotiation has been rendered still more difficult this year not only by the 'lamb war' but also by the wrangling over the Community budget. The British government's bid to get the UK contribution to the budget reduced obviously influenced its reaction to the Commission's proposals, while the Parliament's rejection of the 1980 budget was based at least partly on the view that the Common Agricultural Policy (CAP) took up too high a proportion of the available resources. The Parliament's action reinforced the sometimes strident calls for the reform of the CAP, and there has been a torrent of advice to Ministers from politicians, academics, pressure groups, select committees, conferences and individuals pontificating on the evils—or even the mere imperfections—of virtually the only common policy to which the Community can lay claim.

The role of surpluses in putting up the cost of the CAP has naturally received a great deal of attention and on 30 November 1979 the Commission—the one body which actually has the job of producing proposals on which decisions can be taken—published its ideas for 'Changes in the Common Agricultural Policy to help balance the markets and streamline expenditure' (COM (79) 710 final). The Commission's overall approach to the CAP was summarized in an introductory paragraph:

> The Common Agricultural Policy is and has always been a cornerstone in the construction of the Community. It ensures security of food supplies to some 260 million consumers while stabilizing agricultural markets and protecting the incomes of more than 8 million farmers. The proposals which the Commission is making are intended to strengthen the policy by making the adaptations necessary to tackle specific problems. They are not an attack on this policy, which in general works well. However, the imbalance between supply and demand has, especially in the milk and sugar markets, led to an inefficient use of both physical and financial resources. These surpluses together with inadequate operation of some other common market organizations (beef, processed fruit and vegetables, rye, starch) are aggravating the Community's budget difficulties and hastening it towards the existing ceiling of income from own resources.

Within this overall approach, the Commission was guided by four 'fundamental principles' in devising its specific proposals:

(i) To give high priority to bringing balance to agricultural markets, especially for milk and sugar, the balance to be achieved by increasing consumption both internally and externally, where feasible, and by restraining production.
(ii) For products in structural surplus, to make producers themselves bear the cost of getting rid of future increases in production.
(iii) To alleviate 'unbearable income effects' for small milk producers with no alternative types of production open to them.
(iv) To concentrate available resources for the restructuring and development of agriculture on poorer farms and less developed regions.

The Commission estimated that its proposals, if fully implemented, would save 840 million EUA (European units of account) in a full year, and interest centred on the development of its ideas for dealing with the most expensive surplus—milk—and, in particular, for making co-responsibility more effective. In essence (there have been numerous interpretations of detail), the Commission proposed that the existing levy of 0·5 per cent should be raised to 1·5 per cent; in addition, there should be a 'super levy' to be paid by dairies which failed to restrict their purchases of milk from producers to a quantity equal to 99 per cent of the quantity purchased during the calendar year 1979; the 'super levy' should be set at 3 per cent of the target price for 1980–1.

Like its predecessors, the levy proposal was immediately branded as unfair to the UK.[1] In a brief to Members of Parliament, the UK Farmers' Unions claimed that,

> As they stand, the proposals seem to mean that the UK MMBs (which are obliged to purchase all milk produced by registered producers) would probably have to pay a 3 per cent super levy on all milk: this would be totally unacceptable to UK producers. In parts of the UK 1979 was a particularly bad year for milk production, with a very late spring and poor summer forage production. The use of 1979 as a base year could adversely affect UK producers since it is unlikely (although not impossible) that production in 1980/81 will decline to a level of 1 per cent less than that of 1979. Thus, all UK producers could be paying a levy of about 4½ per cent on total returns, a deduction which would remove a very high proportion of net profits.[2]

The Unions also claimed that some producers in other member states would escape the levy even though they were increasing production; that any special arrangements for small farmers would be almost certain to add a further element of discrimination against the UK; and that the UK could end up paying the lion's share of the levy although not being the principal contributor to increased EEC milk production. Mr Roy Jenkins, President of the Commission, did his best to rebut the charge of discrimination during his speech at the Oxford Farming Conference dinner in January:

> It has been said that our idea is unfair, because it discriminates against efficient

[1] See Trevor Parfitt, 'Frozen milk in Brussels', *The World Today*, September 1979.
[2] Comments on the EEC Commission's proposals for changes in the CAP, NFU parliamentary brief, 18 January 1980.

> British producers of milk. That is a charge which I cannot accept. If the increase in deliveries to British dairies is higher than the Community average, then this country will pay more than the average; if it is less, it will pay less. To call that principle discriminatory is, I think, an error that you would be well advised to avoid.

To his largely farmer audience Mr Jenkins appeared to be side-stepping the principle of encouraging production in the most suitable areas. He did not elaborate, and to get a glimpse of Commission thinking on this issue it is necessary to go back to a speech the Commissioner for Agriculture, Mr Gundelach, made in June 1979. After claiming that the UK wanted self-sufficiency in agricultural production for itself but not for the Community as a whole and had spent a lot of public money on 'making its already highly efficient dairy industry more efficient', Mr Gundelach insisted that,

> *The deterrent measures have to be borne by the more efficient producers, for the simple reason that this milk surplus is not produced by the small farmers with precious few alternatives to milk production.* About 33 per cent of our dairy farmers are currently producing less than 12 per cent of the total milk production, and a falling share. *They* constitute the social problem. To tell them, in effect, by imposing heavy taxes, that they had better go elsewhere, we would be throwing them out of whatever employment they have, and for which they have to work longer hours than anyone—except perhaps politicians.[3]

So, in Mr Gundelach's eyes, social considerations outweigh the desire for an efficient agricultural industry in the EEC—which accounts for the last two of the four principles the Commission observed in devising the November package.

The actual price proposals appeared on 7 February 1980.[4] This time, instead of being guided by four 'fundamental principles', the Commission found itself trying to reconcile 'four contradictory constraints'. The budget problem and the market situation pointed to 'a very stringent prices policy': but the decline in farm income and the need to continue dismantling positive MCAs (monetary compensatory amounts) suggested that Community prices should be increased. The resulting compromise—an average increase of 2·4 per cent—pleased no one. The consumer organizations had wanted a price freeze, with a reduction for surplus commodities. The farm organizations had demanded an average increase of 7·9 per cent, a figure which the Commission agreed was in line with the results of the 'objective method' calculation. According to COPA,[5] in 1979 net income per farmer in the EEC fell by 7·7 per cent in real terms while average earnings in the Community rose 1·8 per cent in real terms. This continued the trend of the past few years: taking farm income in the three years 1972–4 as 100, the index figures for 1977–9 are Germany 95·1; France 81·5; Italy 101·9; Netherlands 95·9; Belgium 84·2; Denmark 87·2; Ireland 117·1; UK 76·2; EEC average 90·6.

[3] F. O. Gundelach, 'Europe's role in world agriculture', Green Europe Newsletter, EEC Commission (Brussels), July 1979.
[4] Commission proposals on the fixing of prices for certain agricultural products and on certain related measures. COM (80) 10 final. Vol. I.
[5] Comité des Organisations Professionnelles Agricoles de la CEE.

First reactions of governments, as expressed at the February meeting of Agricultural Ministers, suggested that there would be a majority in favour of a higher average increase than the Commission had proposed. Belgium and Luxembourg supported the COPA figure of 7·9 per cent; France was believed to favour 6–7 per cent; Ireland wanted 4–5 per cent; the rest gave no figures, but only Mr Peter Walker, for the UK, spoke out in favour of restraint. By the time the Council had met again in the first week in March, it was beginning to look as though a compromise of around 5 per cent might emerge, with only the British opposing it. The European Parliament seemed likely to move in the same direction (although it had some difficulty in deciding whether or not it could afford a special session to debate agricultural prices and the budget in the last week in March), and both the Parliament and the 26 March meeting of the Agricultural Council were likely to be presented with a revised Commission package incorporating the 5 per cent price compromise, a fresh look at the sugar quotas and new thoughts on the co-responsibility levy. The super-levy in the form proposed by the Commission was effectively, although not formally, buried at the 4 March Council meeting, but variations on the same theme were being canvassed and one of them will find its way into the final agreement—having persuaded farm organizations to swallow the principle of co-responsibility, neither the Commission nor the Council will give up the search for ways of making it bite.

Not surprisingly, the British government failed to get the next European Council 'summit' brought forward in an attempt to resolve the problem of its contribution to the Community budget quickly, and the problem seems unlikely to be resolved at the postponed summit meeting. With both the size of the budget (the Commission's revised draft was published in February) and the British contribution to it still unknown, the most that could be expected would be some general guidelines for Agricultural Ministers on how to proceed so that they could complete their work quickly once agreement on the budget is finally reached—perhaps at the June summit. The British government would like to keep the question of its budget contribution as a separate item: the French are determined to link it to every other contentious issue they can think of, including the price proposals, a common sheep regime, a common fisheries policy, North Sea oil and British membership of the EMS. Although the French have isolated themselves on one count by defying the European Court over lamb imports, they are far from being alone in attacking the British attitude towards a common fisheries policy. For reasons which are far from clear, but which are at least partly related to the next French election, the French attitude has been hardening to the point where other governments are becoming seriously concerned. The British government has apparently dropped its demand that the British contribution and receipts should be broadly in balance but still wants the gap reduced. If this is to be achieved by greater EEC expenditure in the UK, the other eight governments want any allocations of Community funds to be spent on new projects, whereas the Treasury would like to use them to save on existing national expenditure. New funds for Britain would either have to come from an increase in the overall budget, which the government does not want, or from savings on the CAP, which it does want. This

leaves Mr Walker, as Minister of Agriculture, with a difficult brief. He can continue to oppose price increases, but British farmers suffered a decline in net income in real terms of 11 per cent between 1977 and 1978 and a further fall of 17 per cent in 1979,[6] and he now has no room for manœuvre in the form of green £ adjustments unless he is willing to countenance the introduction of positive MCAs (which the Community wants to phase out) into the UK. His choice in specific instances will also be conditioned by the budget dilemma—a continuation of the variable beef premia, for example, would be better for British producers, but the Commission's proposed suckler calf premium could cost less. The fundamental difficulty is that the Community's problems are long-term, the national political imperatives are immediate: the two seem even more irreconcilable than when the Commission formulated its price proposals under 'four contradictory constraints'.

TREVOR PARFITT*

[6] Annual Review of Agriculture 1980. Cmnd. 7812 (London: HMSO, February 1980).
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The end of naval détente in the Indian Ocean

JOEL LARUS

IN the weeks immediately following the Soviet invasion of Afghanistan, there were frequent reports that both the United States and the Soviet Union had begun strengthening their naval power in the Indian Ocean. In point of fact, the build-up of their naval presence in the ocean dates back to the spring of 1978 when the Naval Arms Limitation Talks (NALT), the bilateral negotiations between Washington and Moscow to reach an accord that would stem a naval arms race in the Indian Ocean, collapsed.

The NALT negotiations did not end in a dramatic fashion, one that attracted widespread media attention. Rather, the negotiators realized after four sessions that it was impossible to compromise on the fundamental differences of the two sides. The talks then were said to be 'in recess' and would resume at an indeterminate date in the future. By mid-1978 it was apparent that the super-powers were not going to agree on a naval arms treaty for the Indian Ocean, but neither Washington nor Moscow wanted to bear the onus for breaking off negotiations. For more than a year there were periodic reports of a resumption of the talks, but nothing happened. Last June, at the Vienna summit, Mr Carter and Mr Brezhnev announced that their representatives would 'meet promptly to discuss the resumption of the talks on questions concerning military activities in the Indian Ocean area.' The commitment was hollow, and few, if any, were taken in by the promise.

Because of the Afghanistan seizure, the future of American-Soviet arms control negotiations has been resolved. Leaders in both super-power capitals continue to speak positively of the need for arms limitation agreements but with less conviction than formerly. While it is conceivable that the United States and the Soviet Union will resume negotiations concerning strategic nuclear weapons (i.e. the SALT talks), it is most unlikely that there is going to be a re-opening of the Indian Ocean talks. There is every indication that there will be a sharp increase in the naval rivalry of the super-powers in the Indian Ocean for years to come and that NALT was a casualty of the unsettled politico-military conditions in the area from the Horn of Africa to the Persian Gulf.

This article deals with the abortive NALT talks and the subsequent naval responses of the United States and the Soviet Union in the period prior to the Afghanistan invasion.

Background

When the Carter Administration came to power, there was optimism that

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Washington and Moscow could adjust their political and military policies in the Indian Ocean and that a compromise naval arms limitation agreement could end the emerging naval arms race. On 9 March 1977, the President-elect stated that he favoured the 'complete demilitarization' of the Indian Ocean. One week later at the United Nations, however, he amended the American position and now expressed the belief that the two governments could negotiate a programme of 'mutual military restraint', one which ultimately would reduce US-Soviet naval power throughout the Indian Ocean. The Soviet leaders in Moscow responded to the new President's initiative promptly and positively.

Between June 1977 and February 1978 negotiators from the two governments met four times (in Moscow in June 1977; in Washington in September 1977; in Berne in December 1977 and February 1978) in an effort to work out an overall compromise settlement that would block a competitive expansion of the American and Soviet naval presence in the Indian Ocean.

While initially there were press reports of agreement on some issues, the talks were suspended after the second Berne round without a specific date for their resumption. While the two sides differ as to the cause of the breakdown of the talks, a careful reading of their respective public statements indicates a number of fundamental policy differences. They include the size and composition of the two fleets, whether or not to ban nuclear armed vessels (surface ships and submarines) from the ocean, and, perhaps the most difficult issue to adjust, whether existing American and Soviet bases and/or port facilities in the ocean should be continued and at what level.

The last issue basically involved the American naval-air base at Diego Garcia, and it became a particularly troublesome problem for the negotiators after the pro-Communist government of Somalia in late 1977 severed ties with the Soviet Union and expelled all units of the Soviet fleet from the port of Berbera. Unexpectedly, Moscow found itself without a much needed naval facility in the Indian Ocean, all other friendly port facilities being on an ad hoc basis. The United States was then carrying out a substantial construction programme on Diego Garcia that was designed to change that 'austere communication' station into a 'limited logistic faculty'. At the Berne sessions, the US officials informed their Russian counterpart that the programmed expansion at Diego Garcia would not be discontinued and was not negotiable.

In addition to the issues that dealt with American and Soviet naval power, the talks were suspended because of politico-military considerations in the north-west quadrant of the Indian Ocean. The Carter Administration became disturbed by the Soviet Union's intervention in the affairs of the Horn of Africa states, notably its efforts to determine the outcome of the Ethiopian-Somali war. It would be foolhardy as well as inconsistent, Washington decided, to commit itself to a programme of naval arms control in this area of the world when Russian policies in Africa remained unclear and while Pentagon analysts believed that Moscow was moving to encircle the Gulf of Aden–Persian Gulf–Arabian Sea region. The fact that the Soviet Union increased the size of its naval force in the Indian Ocean during the 1977 Ethiopian campaign to recapture the Ogaden alarmed many in

Washington's national security community. Pending a clearer picture of Soviet policies throughout Africa and the Indian Ocean, the United States downgraded the naval arms limitation talks and no longer considered them a high priority item.

Furthermore, the chaos in Iran, culminating in the Shah's ouster in the early winter of 1979 and the resulting disruption of the American strategic position in the Persian Gulf and Arabian Sea, lessened to an even greater degree the small hope that the naval talks would resume 'promptly'. After the anti-American government of the Ayatollah Khomeini was installed in Tehran, Washington undertook a full review of its position in the Middle East and South Asia. Most of its security concerns centred on Arabian oil, the loss of which would be disastrous for the industrialized countries of the West and Japan.

In two years, therefore, the Carter Administration revised its position from strong support of naval arms limitation to concern about building up America's military power in the Indian Ocean. For its part, the Soviet Union also had downgraded the talks by mid-1978 and, like Washington, had begun to reassess its position in the Indian Ocean.

The Soviet Navy's forced evacuation from Berbera, Somalia, has been noted, as well as its display of military power during the 1977 phase of the Ethiopian-Somali war. Despite Moscow's generosity in supplying arms and introducing Cuban personnel to Ethiopia, the campaign to defeat the Somalis, and, somewhat later, to end the insurgency in Eritrea, was not successful. Across the Gulf of Aden, the bitter hostility between the governments of North and South Yemen became more pronounced during 1977–8. Since South Yemen was Moscow's most committed ally in the area, the Kremlin's support for the pro-Marxist government could not be left in doubt.[1] By 1978 Moscow had begun to utilize the port of Aden and to develop the former British installation as the Soviet Navy's principal facility in the Indian Ocean now that Berbera was no longer available. In the Persian Gulf, too, the Soviet Union's position was uncertain. The Iraqis, continuing a policy that originated approximately two years earlier, made clear by mid-1978 their determination to be less dependent on Moscow and began to re-establish some ties with the West and to be less hostile to select moderate Arab states. Finally, the revolution in Iran threatened to reverse gains made by local pro-Marxist groups and create new security problems for the Soviet Union in the Persian Gulf and the western region of the Indian Ocean.

By the beginning of 1979, therefore, both sides viewed their overall geostrategic position in the Indian Ocean as requiring increased naval power rather than negotiating for a limitation of that power. The stage was set for a resumption of their naval competition in the ocean.

No attempt is made here to determine which of the two governments is primarily responsible for starting the build-up and which government responded to the other's initiative. If pressed, both the United States and the Soviet Union could—and did—recite a list of grievances which caused them to strengthen their naval presence in the Indian Ocean. A more accurate explanation of recent events in the

[1] See Alvin Z. Rubinstein, 'The Soviet Union and the Arabian Peninsula', *The World Today*, November 1979.

Indian Ocean is that both Washington and Moscow, as global powers with global interests and responsibilities, have pursued national objectives there regardless of the other's policies.

The American build-up

The Carter Administration in early January 1979 began an in-depth analysis of its overall posture in the Middle East and the Indian Ocean. In so far as American naval power was concerned, two separate yet related issues needed to be resolved. First, the administration had to determine the optimum level of American naval power that should be committed to the area to insure the country's interests. Should the United States create a new, permanent Fifth Fleet for the Indian Ocean, as some Pentagon leaders urged, or, alternatively, could the US realize a credible naval posture by continuing to deploy occasional naval task forces, as had been done in the past, but with greater frequency and possibly in larger, better-armed units?

Second, was it logistically desirable and politically feasible for the Pentagon to try to secure an additional port facility in the north-west quadrant of the Indian Ocean, or was Diego Garcia along with the installation at Bahrain sufficient? If a new naval-air facility was needed, which littoral government would be receptive to American initiatives and agree to make one of its seaports available?

Carter Administration officials were split on the issue of a new Fifth Fleet.[3] Those in favour of an Indian Ocean Navy argued that nothing less than a permanent, substantially expanded American naval presence, similar to that stationed in the Mediterranean or Pacific theatres, could protect US vital interests in the region and demonstrate American power and resolution. Those opposed, in contrast, called attention to the overall reduced tonnage of the US Navy. If a Fifth Fleet was to be formed, the Navy Department would have to draw the ships from both the Sixth Fleet in the Mediterranean and the Seventh Fleet in the Pacific, a move that would be strongly opposed by Nato states and Japan. Congress, they maintained, was in no mood to allocate sufficient funds to begin an extensive shipbuilding programme, particularly construction of a new aircraft carrier.

By mid-spring the Administration's decision regarding US naval power in the Indian Ocean became apparent. An Indian Ocean fleet was not going to be created, and an aircraft carrier was not going to be drawn from other theatres and permanently assigned in these waters. On the other hand, the American naval presence in the ocean was going to be increased and task forces deployed more frequently. Until 1979, the customary interval between the departure of one task force and the arrival of the next in the Indian Ocean had been no less than two months and the average was nearer three months. In the spring new operational directives were issued to the Navy that resulted in more frequent demonstrations of American strength.

On 14 April, the carrier *Midway*, accompanied by the frigate *Downes*, entered the Indian Ocean through the Straits of Malacca. Since the carrier *Constellation* and its support vessels, consisting of a guided missile cruiser and a guided missile

[3] See *New York Times*, 26 November 1978 and 1 March 1979.

destroyer, left the Indian Ocean through the Malacca Straits on the same day, the simultaneous replacement of one flotilla with another signified the US Administration's determination to advance American policies by a more frequent show of the flag.

In June, the Administration undertook to make its new policies more explicit. At two meetings of the Cabinet's Policy Review Committee the question of America's military posture in the Middle East and South Asia was closely examined.[3] Heavy attention is reported to have been given to US naval power in the region. The President eventually approved of three key recommendations of the Committee. First, the US Navy contingent at Bahrain, which since the end of the Second World War had consisted of three vessels, was increased by one additional so that currently there are two destroyers and two amphibious vessels stationed there. Second, the number of visits of aircraft carrier flotillas to the Indian Ocean was increased from three to four per year. Third, the Air Force was given the green light to carry out a programme of 'demonstration visits' to select Arab states, particularly to Oman and the several Gulf sheikdoms.[4]

The second major issue debated within Administration circles during the early months of 1979 was whether or not to open negotiations for a naval facility in the Arabian Sea area, one that would better protect America's strategic posture against the growing Soviet installation at Aden. The Pentagon believed that such a facility was desirable and the President concurred.

In February, the Secretary of Defence, Harold Brown, visited the Middle East and held lengthy discussions with Saudi Arabian officials. He is reported to have explored the possibility of securing authorization from Riyadh to turn one of its seaports into a US naval-air installation. The proposal was rejected by the Saudis, who preferred to keep American military power close but not stationed on their territory.[5]

Not defeated and perhaps at the suggestion of pro-Western Arab governments, Washington officials approached Oman with the same proposal. In June, a high-level American naval delegation was sent to Oman to survey sites along that country's extended coastline for attractive harbour sites that could be developed to accommodate a strengthened American naval-air capability. While the American mission was supposed to be secret, the press learned about the delegation and its mission. They reported that the senior admiral was particularly interested in the harbour at Raysut, a seaport south-west of Salalah in south-western Oman where work is in progress to develop the site.[6] At this writing, it is not known whether Omani officials have been asked to grant the United States privileges there.

Without question, Diego Garcia will remain America's pivotal base in the Indian Ocean and the key to its naval-air strategy. Its remote location—approximately 1,900 miles from the Arabian peninsula—is both an advantage and a disadvantage. Its protected harbour now can accommodate an aircraft carrier task force and its strengthened runways are suitable for B-52 landings. Yet showing the flag from so great a distance does have obvious drawbacks. The four-ship force at

[3] *New York Times*, 29 June 1979; see also *The Statesman* (New Delhi), 2 July 1979.
[4] *ibid.* [5] *New York Times*, 27 February 1979. [6] *ibid.*, 16 June 1979.

Bahrain is probably the maximum number that can be stationed in that restricted area. A facility on the Omani sea-coast, therefore, would nicely complement the arc of American naval facilities that extend from Subic Bay in the Philippines to Bahrain in the Persian Gulf.

The Soviet build-up

The Soviet Navy's Indian Ocean force was at a logistical disadvantage at the beginning of 1979. It was only one year since Aden had replaced Berbera, and the new Soviet naval facility required extensive work before it could accommodate key units of the fleet. These changes do not appear to have been completed until recently, if then.

By late March the Russians were sufficiently confident of their Indian Ocean infrastructure to demonstrate a stepped-up naval presence and the growing strategic importance they now attached to the Indian Ocean. For the first time, the navy deployed one of its two aircraft carriers into the ocean. The 45,000 ton *Minsk* left its Black Sea station on 25 March, sailed through the Dardanelles, across the Mediterranean, and down the west coast of Africa, making a port call at Luanda, Angola, on 4 April, and finally entering the Indian Ocean from the south. The *Minsk* was accompanied by two guided missile cruisers and an amphibious vessel that is reported to be the largest of its kind ever built in the Soviet Union. Moscow announced that the deployment of the task force was a routine manœuvre and that the ships were on their way to join the Pacific fleet based at Vladivostok, as did happen. Yet during most of the spring, one of the Soviet Navy's newest, most powerful and impressive units sailed about the Indian Ocean, making port calls and showing the flag at Port Louis, Mauritius, Maputu, Mozambique and Aden.

The next incremental build-up of the Soviet Union's presence in the Indian Ocean took place in early August when it deployed units of its nuclear submarine fleet in the waters around South Yemen and the Gulf of Aden. The submarine, reported to be a 'cruise missile-carrying *Echo II* class boat', docked at Aden for an indeterminate period. It was accompanied by a tender of the *Don* class, reportedly sufficiently large for helicopter use.[7] A cruise missile submarine, it should be noted, is the key unit used to counter an aircraft carrier task force, a fact that could not have been missed by US naval leaders.

The year 1979 also saw the Soviet Union resume its strong attacks on Washington as threatening the peace of the Indian Ocean states. The United States was depicted as a country committed to gunboat diplomacy and a policy of neo-colonialism. Such accusations were commonplace in the 1970–6 period, but had become less frequent and more moderate when the bilateral naval arms talks were in progress. As both countries moved to increase their naval power in the Indian Ocean in early 1979, the Soviet Union returned to its accusatory tactics. An official of the Soviet government on 30 June warned Washington that its 'military build-up in the Indian Ocean posed a great danger to Soviet security' and called for a reversal in US policies while there was still time 'to check the dangerous drift'.[8] Three days

[7] *ibid.*, 6 August 1979. [8] *The Statesman* (New Delhi), 2 July 1979.

later, at the United Nations' Meeting of the Littoral and Hinterland States of the Indian States of the Indian Ocean, the Soviet observer warned that his country would not remain passive and the restraint it had demonstrated was 'not unlimited' if the American military continued to build up their presence in the ocean and carried out their 'plans for a further large-scale build-up of that presence'. A less diplomatic warning to Washington appeared in the 20 August issue of *Pravda*. The editorial blamed the US for the collapse of the naval arms talks. 'If the United States has decided to take an openly militaristic course in the Indian Ocean,' *Pravda* continued, 'it will have to bear grave responsibility for the consequences of such a decision.'

Conclusion

As the 1970s ended, the Indian Ocean—the region from Capetown, South Africa to the Straits of Malacca but particularly the Persian Gulf–Arabian Sea area—had become crucial to the strategic and economic well-being of both the United States and the Soviet Union. Their earlier naval competition in the ocean had resumed. Both navies had strengthened their fleet presence and were either seeking new logistical facilities needed to support and maintain sizeable forces or improving the facilities that had been acquired earlier—or both. Officials in both Washington and Moscow had long since ceased to comment sanguinely about a joint programme of 'mutual military restraint' in the Indian Ocean.

At this writing (i.e. two months after the Soviet invasion of Afghanistan), the tempo of the American and Soviet naval competition in the Indian Ocean has quickened. The Carter Administration has opened negotiations to secure the permission of Somalia, Kenya and Oman to use local port facilities to store equipment and fuel. Washington has confirmed reports that the base at Diego Garcia will be expanded in the coming five years in order to accommodate B-52 bombers and C-145 tankers on a regular basis. Defense Department officials held meetings in February with ANZUS and Nato leaders concerning ways to organize concerted naval programmes for the defence of the Indian Ocean. They are counting on an increased naval presence from Great Britain, France, Australia, New Zealand and, it is hoped, Japan in the coming months. It is widely believed that an American Fifth Fleet is going to be created as soon as the necessary warships are available and it will be permanently deployed in the Indian Ocean. The Soviet Union, no less resolute, has reinforced its Indian Ocean fleet significantly and reportedly has taken steps to improve its facility at Aden.

Whatever lingering hope existed that NALT would resume in the foreseeable future is now gone, the victim of the crises in Iran and Afghanistan. Naval arms control in the Indian Ocean is out; a naval arms race is under way.

Problems of political propaganda in the Soviet Union

STEPHEN WHITE

THE Olympic Games have always, it appears, been associated with politics, and the 22nd Olympics to be held in Moscow in July and August 1980 will certainly be no exception.[1] The question of the attendance of sportsmen from the non-Communist world, if Soviet troops remain in Afghanistan, is so far the issue that has received the greatest attention in the West in this connexion. Yet for all the interest there has been in the international political implications of the Games, one issue has so far remained relatively unexplored: the considerable impact upon Soviet domestic politics that is likely to result from the unprecedentedly large numbers of foreign tourists, journalists and sportsmen who are expected to attend them. The Games, after all, will take place in Kiev, Tallin and Leningrad as well as Moscow; they will extend over more than two weeks (19 July until 3 August); and they will be attended by an estimated 300,000 foreign visitors, a number considerably in excess of what would normally be expected at this time of year. Isolated though they may be by linguistic and administrative barriers, an influx of foreigners into Russia on this scale cannot fail to make some kind of impression upon the 'mature socialist society' the Soviet authorities claim to have created in the USSR, and its implications deserve more attention than they have so far received.

The Soviet authorities themselves certainly appear to be aware that they will have to pay a domestic political price for the considerable propaganda coup they will achieve by staging the Games, and every effort has been made to minimize it. Young children between the ages of 7 and 15 are to be packed off to Pioneer camps until the Games have ended; large numbers of dissidents, most notably Andrei Sakharov, have been removed from Moscow and Leningrad to less accessible parts of the Soviet Union; private cars, vans and taxis with non-Moscow number plates have been banned from entering Moscow while the Games are still in progress; and every effort has been made to round up disaffected and petty criminal elements and place them out of circulation until the foreign visitors have gone home.[2] 'Forces of reaction are trying to use the Olympics in the interests of the exploiting classes, and of propaganda of the bourgeois way of life', party

[1] On the political background of the Olympic Games, see particularly Richard L. Espy, *The Politics of the Olympic Games* (Berkeley/London: University of California Press, 1979). General accounts of Soviet preparations for the Olympics include B. Bazunov, *Olimpiiskoe vremya Moskvy* (Moscow 1978) and James W. Riordan, *Soviet Sport. Background to the Olympics* (Oxford: Basil Blackwell, 1980).

[2] See for instance *Daily Telegraph*, 12 September 1979, p. 36; *Guardian*, 24 January 1980, p. 2; *Daily Telegraph*, 24 January 1980, p. 4, and 6 February 1980, p. 4; *The Economist*, 26 January 1980, p. 15; and *The Observer*, 17 February 1980, p. 8.

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activists have been warned; every effort must be made to protect the population who remain in Moscow and elsewhere from the 'ideological contagion' to which they will be exposed.[3]

There is certainly an element of exaggeration or over-reaction in these precautions. The Soviet Union, after all, has received large numbers of Western tourists over the years at no great cost to party-state supremacy; there is little evidence of at least widespread hostility to the system; and there appears to have been no effort to reduce the growing volume of Soviet dealings with the outside world in other forms, such as radio broadcasts, consumer goods or pop music. The new measures, however, coincide with a series of gloomy resolutions on the effectiveness of the Party's ideological work, the most recent of which has drawn attention to a 'whole series of weaknesses and shortcomings, some of them extremely serious' in this field,[4] and they have no doubt also been inspired by a series of soberly written reports on the same subject prepared by scholars attached to the Central Committee's Academy of Social Sciences and to the Institute of Sociological Research of the USSR Academy of Sciences. These reports, few references to which have yet appeared in Western sources, suggest that the Party's concern about the ideological impact of the Games may not be entirely without foundation.

Political education

The motives for attendance at the Party's political lectures and education classes, for instance, have been found to fall some distance short of the level of enthusiastic commitment that the Party must have hoped or expected to discover.[5] In the towns of Taganrog and Saransk, for instance, 35 per cent of those attending political lectures reported that the main reason for their attendance was 'Party discipline', 'administrative pressure' or a 'feeling of duty or obligation'. In the industrial town of Kamensk in the Rostov region, 39 per cent of those polled reported similarly that they attended their political education classes 'because they were obliged to do so'; and in Moscow, Chita and Polotsk, as many as 50·8 per cent of those polled reported that they attended their political education classes 'unwillingly'. Most remarkable of all, in a poll in a Leningrad factory, a striking 75 per cent of all respondents reported that they attended political education classes only because they were obliged to do so by Party or administrative pressure, and a further 5 per cent reported that they attended simply because they 'did not wish to offend the lecturer'. This interesting finding, not surprisingly, was omitted from the published version of this report.[6]

[3] *Daily Telegraph*, 1 February 1980, p. 4, and 6 February 1980, p. 4.

[4] 'O dal'neishem uluchshenii ideologicheskoi, politiko-vospitatel'noi raboty', *Pravda*, 6 May 1979, pp. 1–2.

[5] The findings that follow, unless otherwise indicated, are derived from Stephen White, *Political Culture and Soviet Politics* (London: Macmillan, 1979), ch. 6. For an outline of the mass-political work and Party educational systems, see *ibid.*, pp. 75–83. A more detailed account is available in Stephen White, 'The effectiveness of political propaganda in the USSR', *Soviet Studies*, vol. 32, no. 3 (July 1980).

[6] Quoted in Stephen White, 'Political socialization in the USSR: a study in failure?', *Studies in Comparative Communism*, vol. 10, no. 3 (autumn 1977), p. 334.

The preferences of those who attend political lectures and education classes have also been investigated, and these again can have given little satisfaction to the Party officials concerned. There appears to be a great deal more interest in current affairs, for instance, than in political theory; foreign affairs are generally more popular than domestic matters; and sport, culture and morality are all more popular than Marxist economics and philosophy. An investigation conducted in Chelyabinsk, for example, found that 42 per cent of those polled wanted more lectures on international affairs, but that only 1·3 per cent wanted more lectures on Marxist philosophy and that only 1·8 per cent wanted more lectures on scientific Communism. A detailed study in Taganrog reached similar conclusions. No more than 37 per cent of those who were polled expressed an interest in Marxist-Leninist philosophy or scientific communism, compared with 94, 95 and 96 per cent respectively who were interested in current local, national or international affairs, and there was little variation in preferences between those who ordinarily did and those who ordinarily did not attend such lectures. It is perhaps the relative underprovision of lectures on the more popular subjects that accounts for the generally indifferent view most citizens appear to take of them; more than 30 per cent of those polled in Chelyabinsk, for instance, were not generally aware of the subject of the lectures to which they were proceeding, and the vast majority (74·3 per cent) made no preparation for them whatsoever.

The content of political lectures and education classes has also been giving rise to concern. Many lecturers, it appears, neglect the particular concerns of the local area or work group, provide little fresh or unexpected information, react belatedly to current events and do their best to avoid answering awkward or controversial questions from the audience. Some agitators seem still to limit themselves to the reading aloud of newspaper extracts (a practice which may have had its uses when the majority of the population was illiterate, it has been pointed out, but which can scarcely be justified in contemporary circumstances). Other lecturers rely frequently on prepared texts which they read out in a monotone, sometimes not even glancing through them beforehand to remove obvious grammatical or other errors. 'Forty-five minutes', interrupted a member of the audience at one such session, reported recently in *Pravda*: 'isn't that enough?' And nobody, including the lecturer, had objected to concluding the proceedings at that point.[7]

Marginal Impact

Those who attend political lectures and education classes regularly do appear to have a better level of political knowledge than those who attend less regularly. It is by no means clear, however, that they are better informed about such matters because of their attendance at such sessions. On the contrary, it is increasingly openly acknowledged that it is the better informed and politically literate who are more likely to attend in the first place and that attendance as such plays little part in the advancement of the political knowledge of those concerned. Surveys have certainly found that political lectures are given a fairly low rating as sources of information by most respondents. Only 3·9 per cent of those polled in Taganrog,

[7] *Pravda*, 29 November 1977, p. 2.

for instance, reported that they regularly obtained political information from the political lectures they attended, and at a meeting of Party activists in Georgia it was reported that only 7·2 per cent of industrial workers who were polled had indicated that they received new information at political lectures of this kind.[8]

The more formal political education system appears to have a somewhat greater impact upon the knowledge of its largely self-selected group of students. An investigation conducted in Moscow and Tomsk, however, found that at the end of a year of study at the second level of the system about a quarter of those polled were unable to define 'proletariat' or 'productive forces'; almost half were unable to define 'dictatorship of the proletariat'; and over 60 per cent were unable to define 'reformism'. Even on a more straightforward topic, détente (or the 'relaxation of international tensions'), nearly 80 per cent of those polled were unable to explain why it had become possible, and more than half were unaware that it would not lead to relaxation in the field of ideology as in other areas. This is, of course, a mistake as basic as it is possible to make in this connexion.

The impact of political lectures and education classes upon political behaviour seems also to be fairly marginal. Many more students express a willingness to engage in political study and propaganda activity than in fact do so, and on their own admission political lectures and education classes have only a limited impact upon the daily lives of those who attend them. In a detailed study in the Irkutsk region, for instance, more than 1,900 workers were asked what effect they thought their exposure to mass-political activity had had upon the 'development of their political and cultural horizons'. Their answers were distributed as follows: 22·5 per cent reported that they listened more frequently to political broadcasts on radio and television; 21·8 per cent read more fiction; 17 per cent wanted to know more and to be useful to society; 11·2 per cent wished to raise their educational and theoretical level; 11·1 per cent took a more critical view of their colleagues' behaviour, and 9·1 per cent of TV and the cinema; 8·6 per cent took a more active part in socio-political life; 5 per cent reported that they felt better equipped to take part in mass-political work; and 4·7 per cent read more socio-political literature. As many as 16·6 per cent, however, replied that their involvement in mass-political work had had no influence at all upon their subsequent behaviour, and a further 30 per cent refrained from answering the question altogether. These are scarcely the kind of results that Party propagandists could find gratifying.

Saturation

The question of saturation, or the extent to which the mass of the population are in fact being reached by the agitation and propaganda intended for their benefit, has also been causing some concern. In an investigation into attendance at political lectures in the Chelyabinsk region, for instance, it was found that the largest single group of workers (30·9 per cent of the total) had attended between three and five political lectures in the course of the previous year, that 15·8 per cent had attended between six and ten and that 9·6 per cent had attended more than ten; but the second largest group (24·2 per cent) had attended only one or two

[8] 'Klyuch k uspekhu', *Pravda*, 28 June 1979, p. 2.

lectures in the course of the previous year, and 20·4 per cent had attended none at all. An investigation conducted at a number of industrial enterprises in Tomsk found similarly that 40 per cent of those polled had attended no political information sessions over the previous three months and that as many as 65 per cent had attended no agitation lectures. The least well informed and educated appear to be the least likely to attend such sessions, and as a deputy head of the Central Committee Propaganda Department has warned, there is a danger that the Party at present may simply be 'informing the informed and agitating the agitated'.[9] So far, however, no satisfactory solution has been found.

It would be going too far to say that all these problems are insoluble within the framework of the present system. There have been considerable efforts in recent years, for instance, to improve the qualifications of political agitators and lecturers, to encourage them to specialize and to co-ordinate their activities more effectively. Lecturers have also been urged to give more attention to the different educational and occupational composition of their audiences, to conduct more work on an individual and residential basis and to allow for a greater degree of group discussion in the lectures and classes they conduct. Attempts have also been made to arrange for the periodic requalification of Party propagandists and for greater use of visual aids and so forth, and propaganda workers have been encouraged to compile 'perspective plans' and join in movements such as that under the slogan 'The knowledge, conviction and organizational talent of the propagandist—to the service of the Five-Year Plan'.[10]

It is doubtful if organizational measures alone will be sufficient to bring about the qualitative improvement that is required, however, and this for a variety of reasons. One of the most important is that the Soviet authorities no longer have things so much to themselves so far as sources of political information are concerned. Access to the Western mass media, in particular, has become much easier. The circulation of printed matter is still heavily restricted, but an estimated 50 per cent of the Soviet population can now receive Western radio broadcasts compared with only 2 per cent in 1940 and 8 per cent in 1950, and those who live in the Baltic republics have access to Finnish television as well. Even Khrushchev, in retirement, appears to have listened regularly to the BBC, Voice of America and Deutsche Welle;[11] and surveys suggest that at least 20 per cent of the Soviet urban population, and a still higher proportion of the better educated, do likewise.[12] The result is to make competing versions of social reality more widely available to the Soviet mass public than perhaps has ever been the case before.

It does not follow, of course, that the more the Soviet public learns about the

[9] M. Nenashev, 'O nekotorykh aktual'nykh aspektakh ideologicheskoi raboty', *Kommunist*, no. 4 (1977), p. 33. Nenashev has since become the editor of the newspaper *Sovetskaya Rossiya*.

[10] See, for instance, 'Propagande—nastupatel'nyi, boevoi dukh', *Pravda*, 28 May 1979, p. 1; 'Tovarishch propagandist', *Pravda*, 29 September 1979, p. 1; and 'Ideologicheskoi rabote—vysokuyu deistvennost', *Pravda*, 11 October 1979, p. 1.

[11] Roy Medvedev, 'N. S. Khrushchev in retirement', *Index on Censorship*, vol. 8, no. 3 (May–June 1979), p. 8.

[12] Thomas Kussmann, *Politische Bildung und Psychologie in der Sowjetunion* (Berichte des Bundesinstituts für ostwissenschaftliche und internationale Studien No. 38, Cologne 1978), p. 13.

West, with its unemployment, inflation and industrial disruption, the more it will wish to imitate it. But the wider diffusion of knowledge of this kind certainly makes the job of Soviet propagandists more difficult. A nice example of what this can mean in practice is quoted by Simon Leys in his book *Chinese Shadows*. An elderly Chinese émigré, interviewed in the 1960s in Hong Kong, was asked what he thought about Yugoslavia. 'It is a pseudo-socialist country run by revisionist hyenas in the pay of American capitalism', he replied. He was then asked where he might ideally like to live. 'Well, in Yugoslavia, for example', he replied. Why? 'It seems that in pseudo-socialist countries run by revisionist hyenas in the pay of American capitalism, oil and cotton cloth are not rationed'.[18] If Chinese propagandists, separated by a continent, can do no better than this, it is not perhaps surprising that their Soviet counterparts are expecting to have difficulties when the Olympic invasion gets under way this summer.

[18] Simon Leys, *Chinese Shadows* (Harmondsworth: Penguin, 1978), p. 52.

The French Communist Party: return to the ghetto ?

JOLYON HOWORTH

THERE have been many crises in the turbulent, 60-year history of the French Communist Party (PCF). Since the Second World War, they have recurred at fairly regular ten-yearly intervals: 1947/48 saw the French Communists' exclusion from government and their alignment with Moscow for the Cold War; in 1956 the PCF had to cope with Khrushchev's disclosures at the 20th Congress of the Soviet Communist Party (CPSU) and the invasion of Hungary; in 1968 it was shaken by the May events in Paris and the suppression of the Prague Spring in August. These crises have tended to have two distinguishing features: they have been sparked off by a shift in the balance of world forces, usually marked by some new initiative from Moscow; and they have been accompanied by the exodus from the party of large numbers of dissident intellectuals. The current crisis respects the ten-yearly cycle but, on the other two counts, is substantially different from the pattern of the past.

The upheaval in the PCF since March 1978 was not generated by developments in the Kremlin: though the alignment with Moscow took place subsequently—and conveniently allowed the party to snatch out of thin air a 'historical' rationale for its behaviour—it was not a causal factor. On the contrary, the current crisis was clearly the child of internal French politics in general and the politics of Unity on the Left in particular: the party discovered, in the mid-1970s, that the strategy of unity with the Socialist Party (PS) which it had been pursuing for over a decade not only had proved a political disaster but also had led to an ideological blind alley.

Nor has the current crisis been accompanied by the usual exodus of disillusioned intellectuals. In conformity with the new 'liberal' image adopted at the party's 22nd Congress in February 1976, it was agreed that, henceforth, there would be no expulsions. So the intellectuals have stayed, with two consequences. First, they have expressed themselves—loudly and openly, albeit mainly in the 'bourgeois' press; in so doing, they have engaged the PCF in a debate which is fascinating to observe but whose outcome is unpredictable. Second, the party has been obliged to examine the whole question of its relationship with 'intellectuals'.

The crisis broke on the morrow of the electoral defeat of the united Left in March 1978, but it had been brewing for several years. The policy of left-wing unity around a Common Programme of Government had been pursued doggedly by the PCF since 1964, but its paradoxical result was the spectacular rise to fame and electoral fortune of François Mitterrand's Socialist Party.[1] The PCF, which

[1] In the elections prior to the signing of the Common Programme (the presidential election

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had gambled on dominating the united Left, watched helplessly as the PS emerged as the kernel of an alternative government. The reasons why, in the spring of 1977, the PCF began to back away from left-wing unity and launch a bitter and increasingly devastating attack on its erstwhile Socialist allies were many and complex,[2] but most observers agreed that the need to redress the balance on the Left in favour of the PCF was paramount among them. The result, in any event, was clear enough: electoral débâcle. François Mitterrand was only expressing a generally held opinion when he declared after the elections that 'History will judge the responsibility of the PCF in the defeat of the Left.'

The Communist response to this charge came via a Politbureau statement that the PCF bore 'absolutely no responsibility in this situation', adding: 'Our every act, our every initiative have in fact been guided by one single aim: to create the best conditions for the victory of the Left and for our country to commit itself to democratic change.'[3] The audacity of this statement served a very real purpose: to demonstrate the rock-solid unity of the Politbureau and oblige any would-be dissidents to meet the party leaders in head-on collision. In the weeks that followed, the party concentrated on 'pacifying' its working-class base and, by the end of April 1978, those disappointed workers who were susceptible to 'recuperation' were back in the fold; those who were not had tiptoed silently out of it.

The party leaders then turned to the much more serious task of responding to the clamour of intellectual dissidence which, since March, had been threatening to turn the columns of the non-Communist press (especially *Le Monde*, *Le Nouvel Observateur* and *Le Matin*) into a clearing-house for the expression of what Georges Marchais, the party's General Secretary, calls '*anti-communisme primaire*'. In an attempt to side-step the debate, Marchais, in a major press conference on 3 May 1978, referred contemptuously to 'a small and marginal discussion which is of no interest to the Party'.[4] But in the months that followed that 'small and marginal discussion' became a veritable torrent of protest as, day after day, texts and petitions critical of the party's policies flooded the columns of the 'bourgeois' press.[5] Even the long French summer vacation (a notorious gravedigger of spring causes) failed to stifle the protest movement and, in its October 1978 issue, the PCF's intellectual monthly, *Nouvelle Critique*, went so far as to publish a special issue on 'pluralism', promising a further instalment for November. In the event,

of 1969), the PS had netted only 5 per cent of the vote to the PCF's 20 per cent. By the cantonal elections of 1976, the PS share of the popular vote had risen to almost 31 per cent while the PCF had slipped to 17 per cent.

[2] There is little doubt that, in a vain attempt to increase still further its share of the centrist vote, the PS did, in 1977, begin to tone down the radical aspects of its programme, thus lending credibility to the PCF's charges that it had abandoned the united Left's strategy of a decisive break with the capitalist system.

[3] *l'Humanité*, 21 March 1978, p. 1.

[4] *ibid.*, 4 May 1978, p. 4; *Le Monde*, 4 May 1978, p. 32.

[5] On 9 May, 33 members of the *Union des Etudiants Communistes* defied party discipline and formed a 'horizontal group'; on 16 May came the first petition of '100 intellectuals'; on 20 May, another petition by the '300 intellectuals' who had mustered 1,500 signatures by September 1978; on 24 May, a 'Cry of Alarm' from leading Communist scientists; and on 8 June, a petition by Communist women.

the Central Committee condemned the publication of the October issue as '*une faute lourde*' (a serious error) and managed to scuttle the November issue.

In order to relieve some of the pressure, the leadership agreed to organize a special meeting in early December 1978, at which some 400 intellectuals were able to engage in a two-day dialogue with members of the Central Committee and to air their grievances.[6] Essentially, these have been: the functioning of democratic centralism (but not the principle itself which, despite everything, remains intact); the attitude to the Soviet Union; the relationship between the working class and the various categories of 'intellectual workers' (middle management, scientists, technicians, teachers etc.) whom sociologists have dubbed the 'new working class'.

Democratic centralism

The new democratic image which the party adopted at its 22nd Congress in 1976 led to widespread demands for improvements in the working of inner-party democracy. Three main suggestions were put forward. First, that 'horizontal groupings' (that is, contacts between different cells) should be authorized in order to break down the vertical monopoly of information and discussion. Second, that delegates to the Party Congress should be elected democratically and no longer be subject to the filtering process of the Central Committee's *commissions des candidatures*. Third, that the columns of the party press should be open at all times to the expression of individual (even dissident) opinion.

The problem of inner-party democracy raises, of course, the much more sensitive issue of the nature of 'scientific socialism'. At the 23rd Party Congress, in May 1979, 'Marxism-Leninism' was dropped in favour of 'scientific socialism' as the guiding principle behind the PCF's theory and practice.[7] 'Scientific socialism' seems irreconcilable with a belief in pluralism and the call for practical application of the first half of democratic centralism has once again come into direct contradiction with the theoretical sanctity of the second half. Indeed, the special issue of *Nouvelle Critique* already referred to is no more than a plea in favour of pluralism in the *pre*-socialist period and leaves unstated the issue of pluralism versus centralism under a fully-fledged socialist regime. Moreover, the infinitely more delicate issue of how to reconcile democratic centralism within the party with parliamentary democracy has hardly been raised, even though it is at the heart of the crisis of the Left.

In any case, the PCF reasserted its ban on horizontal groupings, and altogether avoided the question of the screening of Congress delegates. The only concessions to democratization made at the 23rd Congress were largely cosmetic in effect. The party press may now open its columns to public debate, but only on special occasions and when the Central Committee gives the green light. Moreover, the numbers of votes cast for elections to the Central Committee are now published, but the only real effect of this is to foster journalistic speculation about the ebb and

[6] A full account of these discussions was published in *l'Humanité*, 11 December 1978, pp. 1–6; see also Christine Buci-Glucksmann *et al.*, *Ouverture d'une Discussion?* (Paris: Maspéro, 1979).

[7] *23e Congrès du Parti Communiste Français*, *Cahiers du Communisme*, 6–7, 1979, p. 65.

flow in the political fortunes of individual leaders. In short, the problem of inner-party democracy has led to a theoretical stalemate which the dissidents will continue to question and the leaders will continue to ignore.

The PCF and the Soviet Union

The second major theme of dissent has revolved around the PCF's ideological acrobatics with regard to the Soviet Union and the Eastern bloc. The criticism of the 'socialist world' which began to appear in PCF statements during the heyday of Eurocommunism in 1976–7 was, in fact, exclusively addressed to the problem of political repression in the Soviet Union and its satellites. Labour camps, it was decided, were incompatible with socialism. Then, suddenly, as the French Left began to disintegrate in the summer of 1977, this criticism tended to dry up.[8] Clearly, attacks on the Soviet Union, necessary in small doses to enhance the party's new 'liberal' image, were, at the same time, a Pandora's box which was bound to lead, sooner or later, to a rigorous re-evaluation of the PCF's own Stalinist history (and thereby of the process whereby most of its current leaders rose to the top).

In the summer of 1978, a number of Communist intellectuals actually crossed the Rubicon and argued that the Soviet Union was the very antithesis of socialism.[9] Things were getting out of hand and significantly Georges Marchais chose the conciliatory meeting with intellectuals in December 1978 as the occasion on which to consecrate the current official slogan with regard to Moscow: '*bilan globalement positif*' (globally positive balance-sheet). In the autumn of 1978, in a desperate attempt to make sense of its increasingly ambiguous statements on the Soviet Union, the party had given its blessing to the publication of a book entitled *L'URSS et Nous*, which purported to supply the answers to a series of hard-hitting questions: 'Is the USSR socialist? What internal conflicts are there? Can one draw up a balance-sheet of Stalinist destruction? Is terror an integral part of the system? Has a new exploiting class developed in the USSR?'[10] The answers to most of these questions were fudged in one way or another and the book, far from serving the party's new 'democratic' image as was presumably the intention, indirectly had the opposite effect.

The Soviet authorities denounced this publication as an insult to the Russian people. At the same time, the most interesting French reaction was not the veiled

[8] The Party had already gone to the lengths of withdrawing from circulation, in January 1977, a brochure on liberty (of which one million copies had actually been printed), which had carried a photograph of a Central Committee member, Pierre Juquin, shaking hands with Leonid Plyushch at a rally in support of Vladimir Bukovsky.

[9] Jean Kehayan was the first to make this seemingly sacrilegious allegation in an article in *Libération*, 19 April 1978; a book by him and his wife, *Rue du Prolétaire Rouge* (Paris: Seuil, 1978), took this point of view even further. Jacques Freymontier next questioned the attribution of the epithet 'socialist' to the Soviet Union in *Le Monde*, 10 May 1978, p. 10. Note that Jean Elleinstein, probably the most 'media-worthy' of all the Communist dissidents, did not go this far; in his much discussed series of articles in *Le Monde*, 13, 14, 15 April 1978, he referred to the Soviet Union as an 'anti-model' for French Socialism.

[10] Alexandre Adler *et al.*, *L'URSS et Nous* (Paris: Editions Sociales, 1978). See my review article of this and other PCF literature in *Bulletin of the Society for the Study of Labour History*, Spring 1980.

scorn with which the book was greeted by party dissidents but the dismay and consternation it provoked among the working-class rank and file. In the factory cells, this somewhat contrived attack on the 'fatherland of socialism' was not only misunderstood but also deeply resented. Mindful of this warning from the proletarian barometer, the party then accelerated its return to the Soviet fold. Its unmitigated support for the Vietnamese over Kampuchea, its silence on the Prague trials of dissident intellectuals, its energetic role in the campaign against the modernization of the Nato arsenal and, more recently and more spectacularly, its espousal of the Soviet cause in Afghanistan, all of these are but the stages in a 'return to normal', whatever the motive. By appearing on French television, live from Moscow on 11 January, and voicing unconditional support for the Soviet action in Afghanistan, Marchais not only snapped the remaining fragile strands of Eurocommunism and destroyed the prospect of left-wing unity for years to come, he also unleashed a wave of anti-Communist feeling in France.

The PCF and the Intellectuals

The third major theme of revolt has centred around the problem of the relationship between the working class and the intellectuals in the party. There are two quite separate issues here—that of the evolution of French society since 1945, and that of the role of intellectuals within the party.

Since the 1950s, theories of the 'new working class' have frequently suspended ideological question marks over the PCF's rigid Marxist adherence to a belief in the historical revolutionary primacy of the working class. It was in an effort to face up to the growing need for broader electoral support that the party launched the slogan of *Union du Peuple de France* (UPF) in 1974. This new concept still situated the traditional working class at the core of historical change, but indicated that the growing ranks of 'intellectual workers' could now identify with proletarian struggle against 'state monopoly capitalism'.[11]

The problem was—and still is—that this 'offer' seemed less attractive to those white-collar workers susceptible to left-wing militancy than the Socialist Party's equally new slogan of *Front de Classe*. This notion, theoretically still in its infancy, posits an organic alliance between traditional workers and the 'new working class', both regarded as vital to the process of revolutionary change.[12] The Socialist Party doubled its electoral support in a matter of years while the PCF remained static.

Since the breakdown of the unity of the Left in 1977, the slogan *Union du Peuple de France* has been hastily and unceremoniously buried. The Communist Party's lack of success in recruiting intellectuals made it all the more imperative to reassert its claim to exclusive representation of the blue-collar constituency. The numerous speeches at the 23rd Congress on the issue of relations between workers and intel-

[11] The expression 'Union du Peuple de France' is first explained in any detail in *21e Congrès extraordinaire du PCF*, *Cahiers du Communisme*, 11, 1974, pp. 39–40. It was given theoretical substantiation in Claude Quin, *Classes sociales et Union du Peuple de France* (Paris: Editions Sociales, 1976).

[12] See Paul Bacot, 'Le Front de Classe', in *Revue Française de Science Politique*, Vol. 28, No.2, April 1978, pp. 277–95.

lectuals stressed repeatedly the privileged and fundamental role of the proletariat in the revolutionary process. 'Intellectual workers' are still invited to form an alliance 'around the working class', but references to the problematic notion of UPF have disappeared.[13]

However, the main problem remained: how to attract intellectuals into the party and what role to offer them once they were in. It was to deal with this problem that the 23rd Congress took three decisions. First, to elect to the Politbureau René Le Guen, leader of the UGICT,[14] the 'white-collar' federation of the Communist-dominated Confédération Générale du Travail (CGT). Second, to launch a new publication specifically geared to the interests of intellectuals.[15] Third, to hold a special meeting of its newly created body, the *Conseil National*,[16] in February 1980, to examine the entire issue of intellectuals. These decisions seemed full of promise and, for a time, even placated dissidents like Jean Elleinstein.

But that promise of compromise between the party and its intellectuals evaporated last October with the public showdown between the PCF's Paris Federation and the Central Committee. In February 1979, Henry Fiszbin had resigned the leadership of the Paris Federation, ostensibly on grounds of ill-health. On 29 October, he announced that he had been forced to resign because of Politbureau accusations that he had followed an 'opportunistic' interpretation of the 22nd Congress line by making too many overtures to intellectuals in the Paris area.[17] Fiszbin, who had been the party's candidate for Mayor of Paris in 1977, subsequently made history by becoming the first Frenchman ever to resign from the Central Committee. The 'Fiszbin Affair', as it is commonly known, is far from settled and involves a major rift between the Paris Federation, with its disproportionately large number of intellectuals, and the Central Committee.

The February meeting of the *Conseil National*, coming as it did in the double shadow of the Fiszbin affair and the Afghan crisis, amounted to little more than the opportunity for the party leaders to restate in uncompromising terms the historical primacy of the working class. As with the problems of inner-party democracy, and the evaluation of the Soviet Union, the problem of intellectuals in the party has led to an ideological impasse. The intellectuals themselves have taken up the challenge in a 'battle of signatures' which is causing major shock-waves within the party. In mid-December 1979, a group of left-wing intellectuals launched

[13] See speeches at 23rd Congress, *23e Congrès*, *op. cit.*, by Marchais (pp. 66 ff), Herzog (pp. 150–5), Fortère (pp. 193–5), Ravix (pp. 232–4).

[14] UGICT = Union Générale des Ingénieurs, Cadres et Techniciens. The PCF normally refers to these social categories as ITC (Ingénieurs, Techniciens et Cadres).

[15] In the general reorganization of the Communist press, the intellectual monthly *Nouvelle Critique* and the official weekly *France Nouvelle* were scrapped (both were becoming outlets for the expression of dissident opinion). The official weekly is now *L'Humanité Dimanche* and the journal for intellectuals was given the controversial title *Révolution*.

[16] For the composition of the *Conseil National*, see *23e Congrès*, *op. cit.*, p. 417.

[17] Fiszbin's resignation from leadership of the Paris Federation was followed by that of the entire team he had led. See *Le Monde*, 13 November 1979, p. 10, and articles at regular intervals since that date. On 7/8 December 1979, the PCF held meetings in all the Parisian arrondissements to discuss the affair. Nowhere did it meet with less than about 33 per cent refusal to toe the line. In the 17th arrondissement, the dissidents were actually in a majority. *Le Monde*, 11 December 1979, p. 10.

an appeal for 'Unity in Struggle' between the PCF and the PS. This petition attracted 20,000 signatures by February and the organizers claimed that they would have 100,000 by the spring. To counter this initiative, the party took the unprecedented step, in mid-January, of launching its own petition in support of its line on Afghanistan. By the end of February, this appeal had mustered about 10,000 signatures but they were, almost to a man, different signatories.[18] More telling still was the fact that only 20 of the 60-strong editorial board of the new 'intellectual' party journal, *Révolution*, which appeared on 7 March, had signed the appeal in support of the PCF. The battle between the party and its intellectuals is only just beginning.

In conclusion, therefore, how does one account for the party's deliberate 'return to the ghetto'? In recent weeks, commentators have had a heyday 'explaining' the party's recent behaviour in terms of a 1947-style realignment between the Communist Church (Moscow) and its 'eldest daughter' (the PCF).[19] The present writer's view is that this reconciliation is a consequence rather than a cause of the post-1978 crisis. Indeed, the analogy with 1947 does not stand up to critical scrutiny. In 1947, the PCF stood to gain most from a united Left which it still dominated. It was faced with the task of revitalizing an expectant nation. It was a young and buoyant party, by far the largest in France, still basking in the glory of its Resistance activities. Moreover, it had a very clear and coherent vision of the direction of world affairs. Moscow, however, had but to beckon and the PCF came running. In 1977, Unity of the Left held out only the gloomy prospect of further advances for the Socialists, the world recession was in full swing and the Common Programme had begun to look weary and increasingly irrelevant. Moreover, the complexity of world politics had increased enormously since the Cold War. The French Communist Party had lost its identity and failed to find a purpose.[20]

The reasons for this are rooted in French politics. Fifteen years' flirtation with left-wing unity and the democratic image had immeasurably sharpened the problem of distinguishing between the Communist and the Socialist brands of 'social democracy'. The tragedy for the PCF was that the PS, the party of Jaurès, Blum, Mitterrand and the CERES, had already fenced off most of the ideological territory on which the Communists might have wished to try to settle. At the same time, as we have seen, attempts by the PCF to put down roots in the alien fields of democratic functioning, anti-Soviet 'polycentrism' and modern sociological analysis posed far more problems than they solved. It soon became clear that what was at stake was the very survival of the party as a distinct organization. A fresh

[18] Only a handful of those who signed the 'Unity in Struggle' petition have signed the petition in support of the party. Among those few are the historian Albert Soboul.

[19] The best example of this is probably Alain Duhamel's 'La stratégie de l'isolement' in *Le Monde*, 27/28 January 1980. One commentator who rejects both the national and the international dimension is Cornelius Castoriadis who argues that the PCF has lost all sense of direction and has lapsed into total cynicism: see 'L'évolution du PCF' in *Esprit*, December 1977.

[20] The question of the historical parallel between 1947 and 1977 was the subject of a special session of the American Historical Association's annual conference in New York on 29 December 1979. The papers by E. Rice-Maximin, Darryl Holter, Irwin Wall and Jolyon Howorth will be published by University Microfilms in 1980.

image was desperately needed for the Presidential sweepstakes of 1981. The only one the Communist leaders know how to handle is the old one.

The PCF currently has two priorities. The first is to emerge once again as the only 'true' working-class party. Within this general framework, most of its current policies can be seen as contributing to the second overall priority: that of placing Georges Marchais ahead of the Socialist candidate in the Presidential elections next year.[31] Marchais has recently been flying all over the world in a much-publicized attempt to emerge as an international statesman. The alignment with the Soviet Union, offensive as it may be to large numbers of intellectuals, still seems to be a winner with the party faithful, whose psychological need for revolt against French bourgeois society is stronger than their sense of nuance in selecting a champion of socialist struggle.[32]

In an attempt to carry the logic of its position on Afghanistan one step further, the PCF announced, on 22 February 1980, that it had created a 'Committee for the Defence of Liberty and the Rights of Man in France and the World' to be presided over by Georges Marchais. The bourgeois press reacted to this move with a mixture of indignation and derision. But the party will nevertheless make political capital out of a counter-attack on the West's record in the general field of neo-colonial exploitation. A cartoon in *Le Monde* showed a capitalist standing on a huge pile of mangled bodies marked 'Victims of Capitalism', and, nearby, Marchais on a smaller pile of mangled bodies marked 'Victims of Communism'. The capitalist is saying: 'Yes, but you started after us'. The nuance is likely to be missed by the Communist militant, who sees only the capitalist pile.

The party has also launched another diversionary smokescreen in the guise of a national campaign against drugs. Championed by the Young Communists, this campaign aims to promote Communism as the answer to the problems of millions of alienated teenagers.[33] At the same time, the PCF has re-staked its claim to being the Party of Revolution. 'We want to make Revolution' an ebullient Marchais told an ecstatic audience of Young Communists recently.[34]

Old wine in new bottles? The recipe is unlikely to prove palatable to the party's intellectuals but should continue to appeal to generations of manual workers. It could also produce the desired effect of destroying the Socialist Party, whose revolutionary credentials depend on the Communist link. For sixty years, the French Left (the only one in the world with two equally powerful contestants) has been paralysed by the dramatic contradiction between Jaurès and Lenin. The PCF's hesitant encounter with Eurocommunism may well have been the last chance of arriving at a viable synthesis. The price, apparently, proved too high. On the French Left, the instinct for self-preservation is paramount. The prospect

[31] In a television interview on 21 January, Marchais himself admitted this. *Le Monde*, 23 January 1980, p. 11.

[32] For the extent to which those brought up in the French Communist tradition hold the Soviet Union in awe, see Nina and Jean Kehayan, *Rue du Prolétaire Rouge*, *op. cit.*, pp. 22 ff.

[33] See the mordant reaction to this campaign by Jean Daniel, 'Les opiums du peuple' in *Le Nouvel Observateur*, 4 February 1980, p. 26.

[34] See *Le Monde*, 5 February 1980, p. 10. The banners at the Young Communists' conference proclaimed 'Vive la Révolution!'; ironically this was the title of an ephemeral Maoist publication of the early 1970s whose purpose was to attack the 'reformist' opportunism of the PCF.

alternative government has now receded into the 1990s or beyond. By that time, ; chances are that both Jaurès and Lenin will have become largely irrelevant. ie 'new philosopher' Bernard-Henri Lévy, in polemical mood, recently gave is definition of the word 'socialism': 'masculine noun, a cultural genre born in ris in 1848, died in Paris in 1968'.[25] Would it be too flippant to add: 'buried in ris in 1978'?

[5] Bernard-Henri Lévy, *La Barbarie à Visage Humain* (Paris: Grasset, 1977), p. 11.

Iganda after Amin

R RICHARD POSNETT

IE conference held in Moshi, Tanzania, in March 1979 brought together more in a hundred Ugandans from over 20 separate exile groups. They covered a wide ectrum of political views, but with remarkable unity of purpose they sank their ferences and were able to dedicate themselves to the single aim of overthrowing nin. Thus they set up the Uganda National Liberation Front (UNLF) with ite a complex structure including a National Consultative Council of 30, four ecial committees to deal with particular sectors of policy and an executive committee of 11 headed by a chairman who was to be ex-officio President of the newly erated state. The UNLF started as something between a political party and a vernment-in-exile, but it assumed the mantle of government on the back of a litary victory. The lack of a clear constitution soon gave rise to problems and is was an important factor in the crisis leading up to the dismissal or resignation President Lule less than three months later.

Professor Lule and his UNLF government were sworn in at Kampala on turday, 14 April 1979. Amin had fled eastwards two days before and the battle ont was by then 10 or 15 miles east of Kampala. The next day, Easter Sunday, lew from Nairobi in a light plane, chartered with some difficulty because there is no radio contact with Entebbe airport and no means of knowing the whereouts or intentions of Amin's MiG fighters. We approached Entebbe cautiously ross the lake; but all went well. I found the airport littered with the débris of ir—broken glass and burned-out planes. There was no transport and no communications, but after several hours chatting with some Tanzanian soldiers I anaged to get a lift with them in an aged bus to Kampala 22 miles away.

In Kampala, the atmosphere in those first hectic days was ecstatic and the situan chaotic. Ugandans returning from exile and Ugandans emerging from their

Sir Richard Posnett re-established the British High Commission in Uganda after the overow of Idi Amin. He held senior civil service appointments in Uganda prior to and after lependence, including that of Permanent Secretary, Uganda Ministry of External Affairs. is article is based on a recent Chatham House lecture.

farms were embracing each other. I was surprised and delighted to find that many of my old friends had survived the terrible years of Amin—albeit often thinner and greyer. Everybody was swept up in the general euphoria. The arrival of a British representative was welcomed with tremendous warmth after the years of separation. Having acquired a car and a Union Jack, I explored the environs of the city, and was astonished to be met with clapping and cheering. When I stopped, I was pulled from the car to shake a hundred hands. It may be that, having suffered so much since independence, the people recalled the days of the British Protectorate as a golden age. But for whatever reason, Britain now has an important place in the affections of most Ugandans. By the same token, much is expected from us.

The Kampala streets when I arrived were strewn with shattered glass, burning paper and broken furniture. But most of the buildings had escaped serious damage and it was not long before the city was reasonably neat and tidy again. When I later visited the western towns of Masaka and Mbarara I found that they had suffered much more severely, being first in the line of military advance from Bukoba. But after the capture of Kampala, very little further damage was caused by fighting in the east and north. Amin's forces made no attempt to blow up the dam or the power house at Owen Falls near Jinja or the bridges across the Nile at Karuma and Pakwach. In the rural areas, there was little war damage as the fighting generally passed them by and the farms continued to provide ample supplies of staple foods. But the war did disrupt farming routine and on top of that the late rains failed in some areas, so that food supplies are now short and expensive.

Legacy of chaos

When the UNLF exiles returned to set up their new government, they found that offices had been looted, records destroyed and the civil service so ruined by Amin that it could not provide efficient service or support to Ministers. Individual officers, especially in the field, strove manfully to carry out their duties despite lack of transport, equipment, funds or direction. The staff of the utilities did marvellously well in trying to maintain essential services in the midst of war. Electric power kept Kampala supplied from Jinja notwithstanding their being on opposite sides of the front. But the absence of an effective civil service at the centre was a grave setback to the new regime in its efforts to get the government machine going again. Especially hard hit was the Police Force which had suffered grievously under Amin. After liberation, its strength was down to about 4,000—less than one-third of its proper establishment. Hence the Tanzanian Army had to be used to keep order in the liberated areas, at the same time that it was pushing east and north. The whereabouts and intentions of Amin were uncertain and the Tanzanians had to earmark a substantial force to cover the northern frontier across which many of Amin's soldiers and supporters were believed to have fled.

The looting which took place in the wake of liberation puzzled and disturbed many observers. We have to remember that the Ugandans had suffered tyrannous oppression. Their own codes of behaviour had been trampled on. They had seen the rule of law replaced by the rule of the gun. The terror of the State Research Bureau had taught them to trust nobody. Meanwhile they had seen Amin's favourites enjoying the luxuries which they were denied and owning shops where

excessive profits were made at their expense. Suddenly with liberation the lid was blown off. The advancing armies of liberation were not too particular about the property of their enemy; they had themselves suffered brutally from Amin in Bukoba. There were no chiefs and no police to exert control. So the Ugandans were quick to emerge and take advantage of the situation while they could. And once looting started, it became infectious. The new regime had not yet established itself and government property was regarded as fair game. Even schools and hospitals suffered. Drums of paint in the Public Works store were emptied out in order to provide water storage tanks. A stuffed zebra was taken from a travel agency window by one enterprising looter, but he found it too heavy after all to take home for the children and abandoned it by the roadside. The mood of the looters was elated rather than vicious. It was no disgrace to be seen walking home with looted property on one's bicycle carrier. Much of this looted property re-appeared in the local markets. It was just a redistribution of wealth—perhaps in some cases overdue!

Although the outbreak of looting was ephemeral, there has since been a depressing record of violence and shooting. The worst of this has taken place in the suburban dormitory areas around Kampala. As in many African cities, these areas have always tended to be lawless, populated largely by immigrants who were no longer subject to any tribal or clan discipline and who often lived by their wits. They were always a problem for the police—but in 1979 there was no longer an effective police force. The aftermath of war is always likely to be a time of turbulence, especially with the presence of an occupying army. Even though the Tanzanian soldiers were warmly welcomed as liberators, there were bound to be incidents. And on arrival in Kampala the liberators opened the gates of Luzira prison and released all 4,000 inmates. These certainly included a substantial number of hardened criminals. Then there were elements, too, of Amin's disintegrating forces who simply went to ground in areas near Kampala, often with their guns. I found the Kampala golf course littered with army boots, many of which had been discarded by fleeing or deserting soldiers who did not want to be identified, or hindered, by their footwear. Meanwhile, necessary commodities were hard to obtain and inflation was rampant. In such conditions, it is not surprising that undercurrents of social or political feeling should erupt in violence, or that old scores should be paid off or that crime should become widespread. It was only by deploying blanket methods such as a curfew that the government was eventually able to bring matters under better control. Nobody, least of all the government, is satisfied with the present situation; but for those who lived under Amin in constant fear, deprived of the protection of the police and the authorities, under threat of terror emanating from the Head of State himself, it came as an incomparable relief to know that at last the government was on their side in the fight against violence. Those who claim that it is worse now than it was under Amin are overlooking this vital difference.

Reviving the economy and the social fabric

The economy of Uganda just after liberation was the subject of a study by a Commonwealth team of experts recruited by the Secretary-General, Shridath

Ramphal, and led by Professor Dudley Seers. Their splendid report has provided an invaluable analysis of Uganda's maladies and a prescription for recovery involving very substantial external assistance. Uganda used to produce half a million bales annually of high-quality cotton. This has now fallen to a mere 80,000 bales. Production of robusta coffee has fallen from a quarter of a million tons per annum to half that amount. What happened was that, during Amin's regime, the producers found the official prices for their crops were keeping pace neither with rising costs nor with inflation in the price of consumer goods. Often they never got paid at all—unless, that is, they were prepared to run the risk of smuggling coffee across the border. So the farmers turned increasingly to food production. This, at least, ensured that the people were fed. But to restore foreign-exchange earnings, farm production needs to be turned back into the export crops. The crops which have suffered most and which have the greatest potential for recovery are those which are labour-intensive, notably cotton. This has badly affected the people in the north where it is too arid to grow coffee and has aggravated the social imbalance between north and south. Thus to restore the cotton industry is a task of urgent social as well as economic importance. In addition to reorganizing the growing, ginning and marketing of cotton, the first requirement is to resuscitate the research establishments whose work is vital if the quality of the crop is to be sustained. This is an area where Britain is well qualified to help.

In the case of plantation crops like sugar and tea, the UNLF government has decided to bring in—or bring back—expatriate firms which can get the plantations and factories back into production with the least delay. This has been a decision with difficult political connotations. There has been serious and protracted debate in the National Consultative Council about the terms under which it should be arranged. But the need for partnership deals by the government with suitable firms seems now to be accepted as a vital ingredient of Uganda's recovery.

The tourist industry was brought to a standstill by the war. This is a foreign-exchange earner which the government badly wants to restore; and for this law and order is prerequisite as well as the infrastructure of hotels and transport. The facilities in the National Parks and the Semliki Game Reserve will need a good deal of revamping, but are still basically sound. The scenic attractions—the lakes, the mountains and the River Nile—are as splendid as ever, but the wild life has suffered grievously from the indiscriminate shooting by soldiers before, and for a time after, liberation. This has now been brought under control and research into the wild-life situation is going ahead under the National Parks Ecology Unit with support from the Department of Applied Biology at Cambridge.

Most of the present problems of industry and of the infrastructure are due not to the war but to continual neglect over many years. They have been starved of foreign exchange to buy spare parts, to replace old machinery, to extend capacity. In many cases, factories will now have to be completely re-equipped or even re-built. The copper mine at Kilembe with its crushing plant and the smelter at Jinja are thoroughly dilapidated, although recent rises in the price of copper may improve prospects; and there is a stockpile of tailings whose cobalt content has now become almost as valuable as the mine itself. The infrastructure has suffered

in the same way. The railway will need to have its permanent way relaid almost from end to end. But despite the enormous quantity of external capital needed, the basic resources are there. Dudley Seers has described Uganda as 'not a permanent economic cripple but a wounded giant'. It is certainly ripe for economic recovery.

I have mentioned the domestic inflation of the currency. During the Amin years money was printed without restraint. Officially Uganda and Kenya shillings are at par and equivalent to about 6p in sterling, but at the border you can buy 11 Uganda shillings for one Kenya shilling. In this situation, the attractions of smuggling a sack of coffee into Kenya, or a drum of kerosene into Zaire, are obvious. So, too, is the difficulty of putting an end to the black-market 'magendo' trade, which was recognized by the Seers Report. There has already been a change of currency which is thought to have had some success in eliminating large foreign holdings of 'Amin' currency. But official exchange rates are still so unreal as to invite abuse. On top of this, there is a burden of debt incurred by Amin, notably in his expropriation of foreign businesses. British firms alone have claimed well over £100 million. The Uganda Government has stated its intention to honour its obligations and to establish a Commission to review all claims. Even when this has been done, there is no source of funds which the government could draw upon to repay such debts at this stage. There is obvious attraction in deals whereby the creditor is invited back, on terms, and the debt is cancelled. I have mentioned examples in the context of sugar and tea estates. But the Ugandans will not attempt to turn the clock back. Expropriated property will not be simply returned to its former owners. Nor will all the Asians be invited to return. The criterion the government is applying in such cases is whether the person or the firm concerned has something positive to contribute—whether know-how or capital or technology—to the rebuilding of Uganda.

On the social side, the work of the churches and missions during the dark years of Amin was beyond praise. Church attendance became higher than ever before—but a number of churchmen and missionaries paid with their lives. An ecumenical aid mission from Britain, led jointly by Bishops Brown and Mahon, visited Uganda last August. The health services were neglected during Amin's time and are now suffering from an acute lack of materials—drugs, equipment and so on. Qualified personnel are available at all levels, but the lack of essential tools has badly affected their morale. In education, it is the same story; schools have teachers but no books, no chalk, and often no chairs or desks because the soldiers used them for firewood. At Makerere University, there is great enthusiasm and last year's undergraduate intake was about 1,400. But food is appallingly expensive, buildings are dilapidated and there is no running water. The library has had no new books or periodicals for years. The Inter-University Council is already active in this field.

Being a landlocked country, Uganda's relations with its neighbours are specially important to its recovery. The country has been liberated thanks to the determination of President Nyerere of Tanzania and the skill and courage of his army. (The war of Uganda's liberation will provide military historians with an object lesson in the conduct of an infantry war on foot.) Now some of the troops have gone

home; but 20,000 have remained behind at the request and the expense of the Uganda government, as watchdogs of the northern frontier and as a support to the police. The debt which Uganda owes to Tanzania will not be forgotten; and political liaison between the two governments is certain to remain close. This does not mean unanimity of political dogma. The social and economic fabric of Uganda is very different. Uganda's natural and traditional economic links have been with Kenya, largely because the economies of the two countries interlock so closely. Kenya depends on Uganda's long-haul export traffic for the profitability of its railway, and upon the Owen Falls for a steady year-round flow of hydro-electric power. Kenya's entrepôt trade with Rwanda and Zaire requires transit over Uganda's roads and rails. Uganda, for its part, needs access to Mombasa port and to Kenya markets. Both countries need the employment opportunities offered by the other. Uganda would stand to gain heavily from closer co-operation with and between its neighbours and President Binaisa has said that it is his aim to achieve this. Good relations are also needed with the Sudan to the north, where there is a refugee problem which could embarrass both sides. Relations with Zaire and Rwanda have been established on a cordial and co-operative basis, and the problem of Uganda refugees in Zaire has been effectively solved.

Constitutional crisis

The crisis leading to the resignation or dismissal of President Lule in June quickly showed up the need for a formal constitution to define the powers of the various organs of state, and work on this is proceeding. Meanwhile, they are working on the basis of the 1967 Constitution with suitable amendments, notably in the area of presidential power. When Godfrey Binaisa took office, he affirmed his intention to abide by the spirit of the Moshi agreement and, in particular, to govern with the advice and consent of the Consultative Council. This means that important decisions and appointments, for example of Cabinet Ministers, are submitted to the Council on the American pattern. Of course, this hampers policy-making and restricts the government's ability to develop convincing long-term plans. But these checks are necessary because the linchpin which holds the country together is its opposition to dictatorship. Ugandans have good cause to fear and to resist the assumption of power without a mandate. Meanwhile, the Council has had to endow itself with legislative powers. It started as a group of exiles, later augmented by 10 soldiers; but in order to bring in the voice of the people, the Council was enlarged last October by the addition of a further 60 members elected by the District Councils acting as electoral colleges. This has provided an immensely valuable link between government and people to cover the period until a full general election can be held. The census has now taken place and the next step is to prepare a new registration of electors. The government has dedicated itself to holding a general election by mid-1981, and has affirmed the transitory nature of its own arrangements. It is an exciting thought that Ugandans in their twenties and early thirties will be exercising responsibility for government through the ballot box for the first time in their lives.

If those votes are to be cast in conditions of tranquillity and freedom, the govern-

ment needs to hold the country—and itself—together over the next twelve months. Although known for tribalism, Uganda is not so inherently unstable as some reports seem to suggest. Many expected that, once the war was won, the UNLF would fall apart, but it did not do so. If there are elements in Uganda which seek to upset the applecart—and this I doubt—there are more powerful elements whose interests lie in maintaining stability. The government of Tanzania, with its troops exposed, would certainly be one of these. Another would be the largest tribe, the Baganda, who took exception to the removal of Lule, less on grounds of his personal standing than because they feared the return of instability, of secret government and of Dr Obote whose name was anathema. In Uganda, tribalism is a defence mechanism feeding not upon ambition but upon fear, fear that others may misuse power on a tribal basis as they have done in the recent past. These fears, fed by rumour which is an incessant feature of life in Uganda, give rise to counterplots. In this situation, President Binaisa has sought to bring the people into council and to avoid the accumulation of power in one pair of hands. He has properly acknowledged his lack of popular mandate and limited his policy objectives to economic restoration, the establishment of law and order and the holding of elections in stable conditions. On this limited basis, he has striven to provide the benevolent leadership which the country so badly needs. His success in winning the confidence of the people over the next year will be a vital factor in assuaging the fears which might otherwise lead them into faction or subversion.

Grenada: maverick or pace-maker in the West Indies?

GEORGE C. ABBOTT

THE West Indies are usually regarded as one of the most stable regions politically in the Third World. During their long association with Britain (which stretches back more than 300 years) they acquired the traditions, customs and habits of the British way of life, its cultural and social norms, and its respect for the rule of law. They also adopted its political institutions and forms of government, including the democratic process, the two-party system and free elections.

Recently, however, there have been several developments which, when set against this historical background, suggest that traditional values and norms have broken down, and that new political systems and allegiances are emerging to threaten the peace and stability of the region. Several of them have replaced the traditional 'Whitehall' type of constitution with a republican form of government, as being more consistent with their national aims and aspirations. Also, the growing influence of Cuba within the region, the forging of diplomatic and other links with Latin America, and calls for the establishment of socialist states and one-party systems are regarded by many as indicative of the inherently unstable and uncertain nature of political developments in this part of the world.

However, these factors appear less significant than the recent coup in Grenada, which adds a completely new dimension to political and constitutional developments in the area. It is the first time that an elected government has been overthrown while in office. Further, as an illegal and unconstitutional seizure of power it shows that opposition parties are no longer prepared to respect the Constitution. Of more immediate significance, it suggests that revolution has come to the area, and that the West Indies may in fact be entering a new era of political instability and insecurity.

The purpose of this article is to analyse the situation in Grenada in order to determine whether that island is the maverick or pace-maker of developments in the West Indies. Specifically, it seeks to identify the causes of the coup and the effects it is likely to have on the other mini-states in the region. Finally, it offers some thoughts on the wider international implications of this new turn of events.

Political and constitutional background[1]

Politically, Grenada has always been one of the most active islands in the region. It was the first to express local dissatisfaction with the unrepresentative nature of Crown Colony rule. The formation of the Representative Government Association

[1] See also Tony Thorndike, 'Grenada: maxi-crisis for mini-state', *The World Today*, October 1974.

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by T. E. Marryshaw and others in 1914 set the pace for political and constitutional developments in the other islands. Within a very short time similar associations sprang up throughout the region. By 1921 these were significant enough to warrant a visit from the Under-Secretary of State for the Colonies, in the wake of which the number of elected members of local legislatures was increased. Grenada was given a new constitution which allowed 4 of the 14 seats in the legislature to be held by elected members.

Grenada was also one of the main supporters of the Federal idea. During the inter-war years it spear-headed the idea of a Federation between the Leeward and Windward Islands and Trinidad as a means of reducing the overhead costs of administering the islands individually, and of combating the economic effects of the Depression. Although nothing came of this proposal, Grenada remained committed to the idea of a Federation as a means of extending the franchise throughout the region and getting rid of Crown Colony status.

Influenced largely by the example of Marryshaw and his colleagues, Norman Manley, a young middle-class lawyer, formed the Peoples' National Party which was dedicated to the political enfranchisement of the masses and the attainment of self-government for Jamaica. Similarly, the political and trade union activities of Cipriani and others in Trinidad owed much to the early efforts and ideals of the Grenada Representative Association. In 1958, Federation, long the dream of Marryshaw and his compatriots, became a reality. Marryshaw himself was called 'the father of the Federation', a fitting tribute to his vision, leadership and untiring efforts to weld the islands into a nation.

By this time though, a new type of political leadership had emerged. Its style and popularity owed as much to its origins as to economic and social conditions of the islands. Basically, it grew out of the efforts of the British government to encourage and nurture the establishment of trade unionism as an essential institution of a modern democracy for improving the conditions of the masses, as well as for providing an effective organizational structure for their participation in local politics. These organizations gave their leaders immense popular support and industrial muscle, and provided them with a power base for entering the political arena. They also gave rise to the phenomenon of the trade-unionist politician who dominated the post-war political scene, particularly in the smaller islands.

The concentration of industrial and political power into the same hands distorted and undermined the political process. Higher wages and better working conditions for estate labourers came to symbolize both the process and purpose of political and constitutional development, with independence and self-government the key to accelerated social and economic development. Once this was achieved, the islands would be free to develop their own potential and to provide the higher standards of living, health, education and so on, which were so urgently needed.

Not unnaturally, those whose brand of unionism appeared aggressive, self-assertive and anti-authoritarian (identified in the local mind as championing the cause of the downtrodden masses against foreign business and external influences, including the political and constitutional straitjacket of the Colonial Office) became the new leaders to whom political power would pass on gaining independence.

More importantly, the style and leadership of West Indian politics became highly personalized. Loyalty was expressed not to the party, its aims or ideals, but to the leader around whom a personality cult inevitably developed.

This form of personal loyalty was carried to the extreme in the case of Grenada, where Eric Gairy had come to power with the support of his own union, the Grenada Mental and Manual Workers Union which he formed in 1951, and also his own political party, the Grenada United Labour Party, formed the following year. Being a flamboyant and rather idiosyncratic character, he not only revelled in the personal adulation of his supporters, but courted it with largesse. His excessive and unauthorized expenditure of public funds, his so-called 'squandermania', led to his disenfranchisement and removal from office in 1962, the only West Indian politician to suffer this ignominy.

Nevertheless, his party won the next election and Gairy returned to power in 1967. Once in office, he reverted to his former style of personalized Government. He humiliated and harassed the Opposition, manipulated the democratic process and compromised the Constitution. At the same time, he consolidated his control over the island by a combination of patronage and crude strong-arm tactics by his notorious gangs of thugs and petty criminals—the so-called 'mongoose men'.

Having won a convincing victory in the General Election, Gairy considered that this gave him a mandate to proceed to independence without consulting the electorate as the Constitution specifically required. The Opposition argued that his actions were clearly unconstitutional, but to no avail. Deep feelings of resentment were aroused among the electorate who feared that he would become a dictator once the restraining influence of the British government was withdrawn. Their fears were further compounded when a campaign attracting over 19,000 signatures, 46 per cent of the electorate, was ignored.

Notwithstanding widespread opposition, Gairy pushed on with his plans for independence. The run-up period was marked by intense political, social and industrial unrest. Shops and premises were looted and burnt. There were riots and shootings, and leaders of the Opposition were beaten up and imprisoned. By the time the island became independent, the Opposition had either been silenced or driven underground, and there was a growing sense of unease and uncertainty. Relations between Gairy and the Opposition did not improve with independence. In fact, his actions became more outrageous and idiosyncratic. He was eventually ousted in a bloodless coup in March 1979 by Maurice Bishop, the leader of the New Jewel Movement, and his ministers imprisoned. Gairy himself was out of the island at the time.

The economy

Grenada has a total area of 133 square miles and a population of 110,000. Its per capita income in 1975 was estimated at US $390, one of the poorest countries in the Western Hemisphere. It has no industries to speak of, and depends on export agriculture to provide employment and income for its growing population (3 per cent per annum). Its main exports are bananas, cocoa and spices, which between them account for 98 per cent of the country's merchandise exports. Domestic

agriculture has slumped badly in recent years and the island has to import most of its food. Unemployment is conservatively estimated at between 15 per cent and 20 per cent of the labour force. There is also considerable seasonal unemployment.

Tourism is the island's other main foreign-exchange earner, but it suffers from a number of constraints which seriously affect capacity utilization and reduce its contribution to the economy. Following a period of rapid expansion in the 1960s, the industry virtually collapsed in 1974, due to political instability at home and adverse economic conditions abroad, e.g. the oil crisis and recession in the developed countries. The number of long-term visitors fell from 36,000 in 1971 to less than 15,000 in 1974, and hotel occupancy rates from 20 per cent to 9 per cent. Tourist expenditure was halved over the same period. The industry has partially recovered from this setback, but it still has a long way to go to regain its former importance.

In addition, Grenada has a serious balance-of-payments problem. In 1971 its trade deficit amounted to EC $36 million. This fell to $19 m. in 1974 due to very good export prices on the one hand, and the reduction of imports caused by contraction in the tourist industry, on the other. A three-month dock strike also played a major role in reducing imports for that year. It had other deleterious effects on the domestic economy, but these can be left aside for the moment. The important point is that in a particularly bad year for imports, the country's import bill almost doubled its export earnings. The position has deteriorated markedly since 1974. In 1977, the latest year for which figures are available, the trade deficit was put at EC $46 million.

Grenada financed its deficits by borrowing heavily from the private sector, in particular the commercial banks. In 1972, total net private borrowing amounted to EC $14·4 m., of which $10·6 m. came from commercial bank loans. Private transfers, basically remittances from Grenadians living abroad, also helped to keep the country's deficit within manageable proportions. With the collapse of the economy in 1974, the picture changed dramatically. Net private borrowing fell to $5 m., with only $100,000 being raised from the banks. The shortfall was partially offset by increased borrowing from the public sector, while reserves had to be run down by some $1·2 m. to accommodate the deficit.

The position has deteriorated a lot since independence. Capital flows have more or less dried up and aid funds have fallen off sharply. Moreover, the island is faced with the problem of repaying earlier debts to the private sector. In terms of its economic performance, there has been no growth for a long time, and standards of living have fallen. According to the latest issue of the World Bank Atlas (1979), per capita GDP fell by −3·2 per cent per annum in real terms between 1970 and 1977. Considerable dissavings have also taken place and the island has been rescued from bankruptcy by friendly governments on more than one occasion.

The government has very little room for manœuvre. The public sector is already very large. Presently public expenditure runs to over 35 per cent of GDP, most of which goes on consumption. Of a total expenditure of EC $11·5 m. in 1974, $10·6 m. went on consumption, of which more than 50 per cent was for salaries and personnel emoluments. The level of public consumption expenditure cannot there-

fore be significantly reduced without creating additional unemployment and serious social problems. Further, independence has saddled the country with a massive budgetary deficit, estimated at more than $6 m. in 1976. While tax revenues fell, expenditure rose sharply—partly in response to the political and administrative needs of establishing the new state and also as a means of keeping Gairy in power. Expenditure on the police, for example, doubled between 1970 and 1974. In the latter year almost $3 m., approximately 14 per cent of the budget, was spent on police and internal security, more than what was spent on infrastructure and revenue earnings projects, and almost three times as much as on agriculture.

At present, public expenditure exceeds local revenues by about 40 per cent. The extent to which the government can increase taxes is limited by a number of factors, in particular developments in the tourist industry. Even on the most favourable assumptions, it is doubtful whether domestic revenues can be increased sufficiently to match expenditure. Gairy's government relied principally on grants and credits to bridge the gap; but its extensive and indiscriminate use of private credits increased Grenada's external indebtedness and reduced its creditworthiness, which in turn has severely reduced its ability to raise additional external funds for budgetary purposes. It was estimated that Grenada needed on average $5 m. annually between 1975 and 1977 for budgetary purposes alone.

The island thus seems to be caught in a typical Catch 22 situation twice over. It has a large public sector, but no domestic public savings. Taxes are already high and further increases in rates are unlikely to yield significant net additions to domestic revenues. On the other hand, public expenditure cannot be reduced substantially without serious social consequences. It will, in fact, increase if the country's ambitious programme of social development is to be achieved. As the budgetary deficit gets worse, the government will be forced to raise more funds externally on very unfavourable terms, given its own lack of reserves and low credit-rating.

The situation with regard to the balance of payments is equally depressing. Export earnings are unlikely to increase sufficiently to pay for imports, or to support a modest increase in living standards. Indeed, imports are increasing at a much faster rate than exports. The balance-of-payments deficit is thus expected to get worse. In 1975 Grenada required a total of $13·2 m. external financial resources for balance-of-payment purposes. By 1978 the figure had increased to $16·8 m. Whichever way one looks at it, the island is in deep financial and economic trouble. It is becoming increasingly dependent on foreign funds to survive.

Grenada and independence

One of the reasons Gairy rushed Grenada into independence was that he would not have to depend on Britain for aid, but would be free to seek economic and financial assistance from other sources. As part of this overall strategy, Grenada joined all the important international and regional organizations, opened consular and diplomatic missions in leading capitals, and went to great lengths to ensure that the external appearances of independence would be satisfied.

There has, however, been no rush of donors with generous offers of economic and financial assistance. Since independence, the amount of aid which Grenada has received from other (i.e. non-British) sources has been minimal, and limited to temporary budgetary support. There is no evidence to suggest that organizations like the IMF and the World Bank are prepared to treat Grenada as a special case. They have considerably less room for manœuvre in their aid programmes than is commonly assumed. The prospects of any major inflow of funds from these sources are therefore not very encouraging.

Neither Canada nor the United States has shown any desire to assume the role and responsibility which Britain carried in financing Grenada's development. Rather, they have repeatedly expressed their preference for operating within the existing regional institutions. They already channel their principal contributions through the Caribbean Development Bank and other regional agencies. There would have to be compelling political, economic, military and strategic considerations for them to change these arrangements. Developments in Grenada do not fall into this category. Its strategy of a free option on additional donors thus seems to have misfired.

Independence has created more problems for Grenada than it has solved. The island is now a lot poorer and deeper in debt. Grenadians found it difficult to reconcile the economic and financial realities of independence with the promises of accelerated development, rising standards of living, better social services, and so on. Given the highly personalized form of politics, it was inevitable that they should blame Gairy for the island's poor economic performance and mounting problems. While he has undoubtedly contributed to them, Grenada's problems derive basically from its size, limited resources and extreme vulnerability to adverse international forces on the one hand, and its desire to be a free and independent member of the international community with all the attributes of a modern state on the other. The two just cannot be reconciled.

Gairy neither understood nor recognized these facts of international economics. Consequently, as internal economic and financial conditions deteriorated and the world economy went into recession, he attempted to borrow his way out of trouble. However, his efforts to raise additional external funds soon ran into diminishing returns, and he was left without any options and few friends. Whether the party which ousted him will do a better job of running the economy remains to be seen. It would be unwise, though, to assume that Gairy was the other problem which Grenada faced, or that ousting him from power is all that is required to put the economy back on its feet. Grenada's problems will remain regardless of the party in power.

Having said that, one must immediately add that Gairy's personality and conduct of political affairs played a large part in his own downfall. Put very simply, his past finally caught up with him. His flamboyance and unorthodoxy suddenly seemed stale, unexciting and embarrassing, and the role of champion of the illiterate masses, the main basis of his popular support, was eventually neutralized by his own actions. Having created a form of government in which all patronage derived from personal loyalty to him, he demoralized and corrupted the very

people on whom he depended for support. His was in fact a very squalid and vindictive form of personal government.

The New Jewel Movement

The New Jewel Movement (NJM), the party which ousted Gairy, was formed in 1970 by a group of middle-class professionals to oppose him. It soon attracted support from business interests, trade unionists and other pressure groups. The one thing which they all shared in common was their outright opposition to Gairy and their determination to get rid of him.

Apart from that, the NJM did not have a coherent political platform or a realistic set of policies for dealing with the island's problems. Its 1974 Manifesto, the party's blueprint for action, is an incoherent and rather naive document. It criticized every aspect of Grenadian life. The economy and the way it was run, the tourist industry, the cost of living, the level of imports, the provision of basic social and educational services, the political system and the form of government were all a conspiracy of currupt politicians, principally Gairy and foreign interests, whose stranglehold on the economy must be broken. To this end it proposed the establishment of an island-wide range of projects based on the principle of co-operatives and workers' assemblies. It condemned imperialism and exploitation, US involvement in South-East Asia and apartheid in South Africa. It declared itself firmly committed to a nationalist, anti-imperialist, anti-colonialist position. It supported non-alignment and Third World solidarity, and 'the liberation struggles being waged by our African Brothers in South Africa, South-West Africa, Rhodesia, Mozambique, Angola and Guinea-Bissau for self-determination'. Finally, it saluted 'the just and heroic struggles being waged on Caribbean soil by progressive forces'.

Precisely what these international events had to do with developments in Grenada, or to what extent the NJM hoped to influence them if it got into power, was not clear. The electorate were certainly not interested in them: they simply wanted to get rid of Gairy, and on this point the Manifesto was unequivocal. It stated *inter alia*: 'When a Government ceases to serve the people and instead steals from and exploits the people at every turn, the people are entitled to dissolve it and replace it by another by any means necessary.' It argued that Gairy would never relinquish power willingly, having rigged the 1972 elections, and concluded that 'the most fundamental, urgent and crucial question is the taking of political power by the organized people so as to clear up the mess and set the island back on course'. There is no doubt that the NJM had decided as early as 1974 that the only way to get rid of Gairy was to overthrow him and seize power.

Gairy blamed Communism for the overthrow of his government and asked the United States, Britain and the United Nations to reinstate him as the legally elected government. They refused to get involved. No attempt has been made either to destabilize or boycott the new regime, which has already been recognized by several Caribbean Commonwealth countries—more, it would appear, out of necessity than approval. They do not like the way Gairy was removed, but are powerless to reinstate him, and they dare not condemn the coup as this would

mount to interference in the internal affairs of another Third World country.

On the wider field of international power politics, Grenada is of no military or strategic value to either of the super-powers. It is firmly within the Western sphere of influence, not as a vital link but as one of the group of small islands whose geographical and strategic value has been overtaken by developments in international politics, diplomacy and even in the nature of warfare itself. Within this new scenario, it is unlikely to prove sufficiently attractive to Eastern Bloc countries as a bridgehead for extending their influence in the area. Nor can Grenada offer any quid pro quo which is likely to outweigh the cost and inconvenience of sustaining it as a client state.

It seems unlikely, therefore, that the coup was motivated and/or controlled by external forces. It is more probable that the leaders of the NJM feel a basic affinity with the current teachings of Third World solidarity and socialism without understanding what these terms mean, or their relevance to countries like Grenada. They do not comprehend how the Grenadian economy works or the nature of international political and economic relations. But that does not really matter. Theirs is the politics of protest and impatience with a generation of politicians grown stale and corrupt. It is also the politics of arrogance. As graduates and middle-class professionals, they consider that they are qualified to run the country without the necessity of the electoral process, in a sort of modern version of the philosopher-king.

The significance of the coup

The effects of the events in Grenada have already begun to be felt in the neighbouring islands. Six months after becoming independent, Dominica faced an almost identical political crisis, in which the Prime Minister, Patrick John, was prepared to stay in power at all costs. For a time the island had two rival Prime Ministers vying for power in the context of a collapsing economy. The immediate crisis seems to have subsided after much internal chaos and confusion. The island was actually heading for another constitutional crisis when Hurricane David struck. In a strange way, the widespread destruction and the need to provide food, clothing and shelter for its victims helped to defuse the situation. However, the political situation is still tense and it is only a matter of time before it erupts again.

The various separatist groups in the islands will draw comfort and inspiration from the way in which the NJM achieved its political objectives. So far, they have shown remarkable tolerance, self-control and respect for the Constitution, but it has got them nowhere. They will have to pull off something spectacular if they are to retain the confidence of their supporters. Sooner or later they will ask 'if the NJM can get away with it, why can't we?' In other words, they will come to regard radicalism and disregard for the Constitution as the most effective ways of achieving their political goals.

This clearly is the message of the Grenada coup. It encourages like-minded elements to defy the Constitution and by-pass the democratic process. To this extent it has introduced a new and sinister dimension into political developments in the West Indies. Any group which is strong or determined enough can seize

power. The way is now open for coups and counter-coups. There has already been an attempt to seize power in the Grenadines, an integral part of the state of St Vincent which became independent only in October 1979.

This new era of political instability in the West Indies is unlikely to pose a serious threat to the West's security. Britain's role and interests in the islands have declined markedly, and America's interests are adequately covered by other arrangements. But there is another potentially more serious problem which the islands may have to face. With the increase in political instability and the breakdown of law and order, they are particularly vulnerable to unscrupulous adventurers, international gambling interests and so on. They could quite easily be taken over by latter-day merchant adventurers, money sharks and other shady characters whose only interest is to turn the islands into tax havens and a playboy's paradise. Anguilla is a case in point. Had it not been for the timely intervention of the British Government, that island would probably by now have become the personal property of an unscrupulous operator.

In its present conditions, Grenada is perhaps the most vulnerable of all the islands. Its economy is in dire straits and it is heavily indebted to the private sector, particularly foreign commercial and private interests. Its ailing tourist industry is ripe for a take-over by some international gambling organization or crime syndicate. One of the reasons why Trinidad, its nearest neighbour, provided budgetary support to the Gairy government was to prevent it falling under the influence and control of such organizations—it feared Grenada would become a bridgehead for a take-over of its own tourist industry.

To summarize, Grenada has always taken an independent line in political and constitutional matters. In the early days, this provided much-needed leadership and encouragement and set the pace for the other islands. However, the appearance of Gairy and his idiosyncratic form of politics set Grenada apart from the mainstream of developments for most of the post-war years. These were its maverick years. Gairy was removed by a coup, a novel and uncharacteristic experience in the West Indies, but one which seems likely to be repeated elsewhere as political instability increases, and the financial and economic outlook for the islands deteriorates. It is possible that Grenada might yet combine both roles.

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Carter's crises: Iran, Afghanistan and presidential politics

ROBERT McGEEHAN

As presidential election year 1980 began, and for the following months, Jimmy Carter was not on the campaign trail but in the White House, a self-sentenced prisoner whose term was set to run until some 50 American hostages in the US Embassy in Tehran were safely released by the militant students who had held them, with the collusion of the Iranian government, since 4 November. Prior to the seizure of the embassy, a combination of foreign policy blunders and domestic failures had reduced the President's standing to such levels that not only his re-election but even party renomination seemed questionable. A dramatic but badly handled mass resignation and reshuffle of his Cabinet in July 1979 had fallen short of the target of restoring to the chief executive an image of having command and control of the government, and a presidentially exaggerated pseudo-crisis over the discovery of an alleged Soviet brigade of combat troops in Cuba (whose continued presence on the island he declared unacceptable in September and tolerated thereafter) seemed to confirm earlier fears that even late in the third year of his presidency Jimmy Carter remained vulnerable to his own persistent amateurism. But the mood of America was not receptive to presidential incompetence as the economy continued to weaken, inflation mounted, attempts to forge a coherent and acceptable energy policy faltered and public opinion polls revealed Americans' increasing concern for the declining international prestige of the United States.

To the litany of such shortcomings as failure to save the Shah, feeble and indecisive responses to Soviet encroachments in Africa and the Middle East and an inconsistent and counter-productive human rights policy were added objections to the SALT II agreement, signed in June with Leonid Brezhnev and sealed with a presidential embrace. In order to gain Senate votes for the SALT II accords and to counter political charges of appeasement, the Carter foreign policy team (having in mid-1978 accepted the divisibility of détente rather than interrupt progress towards the agreement)[1] found itself forced to adopt precisely the get-tough-with-the-Russians posture which suggested that against such an opponent the game might not be worth the candle.

Although a good case could be made that the United States was at least as successful in achieving its negotiating objectives as was the Soviet Union,[2] the broader questions in the national debate extended beyond the proposed treaty.

[1] See Robert McGeehan, 'American policies and the US-Soviet relationship', *The World Today*, September 1978.

[2] See Lawrence Freedman, 'SALT II and the strategic balance', *The World Today*, August 1979.

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They included concerns about adverse trends in the overall East–West relationship; the dangers of a détente unaccompanied by military security; unsolved problems of the so-called Eurostrategic theatre imbalance; growing concern that the Administration's crisis-response was becoming habitually passive; and questions raised by the rejection of the final text by many of its previous negotiators including the former President, Gerald Ford, and the former Secretary of State, Henry Kissinger.[3]

Both the SALT process and détente suffered as the Administration tried to present itself as a strong partner to a good bargain when it seemed to many that the reverse was the case. After lengthy hearings, the Senate Foreign Relations Committee on 9 November voted to send the treaty forward to the full Senate with the recommendation that it consent to ratification. The 9 to 6 Committee vote was not encouraging to supporters of the accords, nor was the accompanying 'resolution of ratification' which contained numerous clarifications, understandings and reservations, two of which would have required the approval of the Soviet Union. Proponents and critics agreed that the final result would be extremely close; but it will never be known whether SALT II could have gained the Senate's consent, since no vote was sought in the last months of 1979 when the Carter Administration faced its greatest challenges.[4]

The crises facing the President arose from the frustrations and complexities in the Iranian situation, where the militant students with official collaboration posed a direct challenge to sensitive, although perhaps not vital, American interests; and from the Soviet invasion in late December of Afghanistan, which was perceived in its geostrategic implications as a potential threat to vital US interests and a repudiation of the norms of détente. Running through these foreign crises was a third one, the fragile thread of Jimmy Carter's own domestic political survival: elected as a post-Vietnam, post-imperial president, the chief executive had gained a reputation for vacillation and indecisiveness just as an increasingly conservative electorate began to long for strong leadership and firm policies for the dangerous decade ahead.

Iran—blackmail and impotence

The limits of state action were imposed by the constraints felt by the American super-power when its citizens were seized in violation of international law by a mob of political extremists in a state rent by domestic social and political upheavals and vulnerable to US forceful retaliation. The crisis began when the deposed Shah was permitted to enter the United States for medical treatment and Iranian hatred for him and his American allies erupted into mass demonstrations which culminated in the occupation of the embassy and the capture of its officials and staff. In the American view, and that of most other states (and later, of the United Nations and and International Court of Justice), the wrongful nature of the act was beyond

[3] The latter had amazed many observers in September when, in an address in Brussels to a symposium on Nato, he not only lamented the vulnerability of the American land-based ICBM forces and urged the development of a US first-strike capability, but also suggested that America's European allies 'should not keep asking us to multiply strategic assurances that we cannot possibly mean.'

[4] In early January 1980, as massive Soviet forces moved into Afghanistan, Carter requested that the Senate defer consideration of the agreements.

dispute: contrary to numerous legal principles and specific agreements, Iran had permitted a foreign state's embassy to be seized and its occupants endangered in a manner which Carter branded as 'international terrorism'. The President stated that the United States would not yield to blackmail, and announced a policy of 'firmness and restraint'. Among the demands of the Iranians was the return of Mohammed Reza Pahlavi, a possibility which Carter declared 'unthinkable'.

From the outset, two factors dominated the Administration's handling of the crisis: the commitment to explore every possibility short of the use of force to secure the safe release of the hostages, and the bizarre fact that there was no Iranian government, in any normal sense, with which the United States could deal. Apart from an ignorant few who imagined that an Entebbe-type airborne rescue operation could somehow be duplicated in downtown Tehran, no one knew how military means might be employed without the probable loss of the hostages. Iran could be punished, but only at the cost of throwing out the baby with the bathwater. Had the US taken the military option, the President would have been criticized both for losing the hostages and for precipitate action and unimaginative diplomacy. By exploring patiently and flexibly manifold possibilities, the common thread of which was the concern for saving the hostages, he risked, over time, the charge that his efforts had brought neither positive results for the American prisoners nor the satisfaction (and perhaps the honour) of retribution against the wrongdoers. Once rejected at the outset, force became increasingly difficult to contemplate as righteous spontaneity was lost and there remained a possibility only of calculated violence (perhaps punishing Iranians with no connexion to either the militants or the regime). Nor would it have been consistent with Carter's long commitment to human rights and his emphasis on the importance of the individual to have sacrificed the hostages for the possibly overriding values of national integrity and deterrence of future blackmail.[5] Yet as the months passed, the only results of the Carter approach seemed to be the growing anti-Americanism of the hostages themselves as their captors persuaded them of US involvement in 'the crimes of the Shah'. By partially yielding to some of Iran's demands (such as an American expression of concern for US-Iranian relations during the Shah's regime, or agreeing to the formation of a UN-sponsored commission whose mandate was both to prepare for the release of the hostages and investigate the alleged misdeeds of the Pahlavi period), it could be said that the President's initial refusal to submit to blackmail had begun to be eroded; but even as minor concessions to the militants' demands were made, a new and more ominous development supervened. The Islamic Republic of Iran's spiritual leader and political ruler, the Ayatollah Khomeini, was the only visible source of authority in a state suddenly threatened by the massive presence on its eastern borders of Soviet troops capable of reaching in a matter of days the oil fields upon which Western Europe was dependent.

[5] While few observers dared to state openly that the hostages should be sacrificed, some argued that the combination of present humiliation and invitation to future intimidation was such that failure to reply forcibly could bring many more casualties. Arthur Metcalf, for example, editorially suggested that the next contingency could involve not a religious fanatic in a third-rate power, but a new blackmailer with strategic superiority, 'the Soviet Union, which can hold hostage not 50 Americans in Iran but 50 million Americans in their homes.' *Strategic Review*, Winter 1980, p. 7.

The Russian intervention in Afghanistan changed, at a stroke, the priorities of the earlier crisis: at a moment when the US lacked the means for effective resistance to hostile forces, the main objective of American policy was no longer to recover the hostages but to deter any threat to the resources of the Gulf. Increased pressures on Iran thus had to await responding to the event which, in President Carter's judgement, could be 'the most serious threat to world peace since the Second World War'.

By mid-April Carter's tactics partially shifted as he called for support by America's allies following the US decision on 7 April to break diplomatic relations with Iran and impose further economic sanctions. The United States, he said, might avoid the use of the military option if 'the allies can join with us in making effective the diplomatic and economic pressures that might cause the Iranians to release the hostages.' This call for support (which many Europeans resented as too much resembling an ultimatum) was less a threat of force than an almost desperate attempt to avoid it by trying one more device to ease domestic concern over an ineffectual policy compounded by an awareness that the Soviet Union, not the Ayatollah, was the principal danger to an America increasingly perceived as helpless. On the same day that Carter repeated (to the American Society of Newspaper Editors in Washington) his catch phrase that 'we are the strongest nation on earth', a major European newspaper's analysis of US foreign policy (*Corriera della Sera*, 10 April 1980) was headlined '*L'Impotenza della Superpotenza*'. By placing the burden of action on the allies, Carter was risking not only the embarrassment of further frustration over the hostages, or the use of force which would drive Iran towards the Soviet Union, but also the imposition of a loyalty test whose complexity for the allies could shatter the façade of Western solidarity which had been erected in principle on the issues of both Iran and Soviet behaviour in Afghanistan. It was misleading, however, to argue as some did that the Tehran problem was 'the wrong crisis' for Carter to use as a criterion of Atlantic cohesion, since the two situations had become increasingly inseparable in their implications as American credibility suffered and Russian intransigence persisted. The humiliation of the United States could serve no Western interest; Ruhollah Khomeini, some observers feared, was all too reminiscent of Gavrilo Princip.

Afghanistan—challenge and response

Unlike Russian military adventures which had occurred in Third World areas since the Administration took office without being perceived as a geopolitical challenge, the invasion of neighbouring Afghanistan was immediately declared a watershed in East–West relations. President Carter ingenuously confessed during a television interview on 31 December 1979 that Leonid Brezhnev had lied to him about the circumstances of the Afghan invitation to Soviet forces,[6] and remarked

[6] The Russians themselves nonsensically argued simultaneously that their intervention was requested by the Afghan Government and that its leader, President Amin, was in the service of the CIA. The massive Soviet airlift began on 24 December. On 27 December Amin, who three weeks before had been congratulated by Brezhnev on the anniversary of the Afghan–Soviet Friendship Treaty, was killed.

that his opinion of the Russians had changed more drastically in the preceding week than in the previous two and half years. The meaning of events in international relations, hardly amenable to scientific analysis in the best of circumstances, proved especially elusive in the Afghan affair. Western speculation about Soviet motives ranged from the relative innocence of a Russian desire to stabilize conditions in a Marxist state on the Soviet border which was effectively already in their sphere of interest[7] (even though its leader may have been suspected of dangerously independent tendencies)[8] to the sinister possibility that the defiant show of efficiently deployed force was but a step in an ongoing Great Game whose winning players anticipated the advantages of using Afghanistan as a jumping-off point for the warm water ports of the Indian Ocean and the oil fields of the Persian Gulf region. American officials disclaimed knowledge of why the Russians had acted or of what their next steps, if any, would be. The compelling fact, US spokesmen repeated, was that they were there, and being there were in a position to go further. Thus without deciding why it had happened or what it meant, Afghanistan was and is seen as inherently destabilizing and therefore dangerous. The response of the Carter Administration to the Soviet challenge has been to punish the Russians for their transgression; to pressurize them until their forces have been withdrawn; and, by warning against future aggression while building US military capabilities, to deter other attempts to change the balance of forces.

The American punishment-and-pressure measures included economic sanctions embracing restrictions on grain shipments and sales of high technology; the decision to boycott the Olympic Games to be held in Moscow in the summer; and the urging of the European and Japanese allies to limit their export credits to Moscow. The American strategy for deterrence of future Soviet transgressions rested upon two foundations: a declaration (inserted in the State of the Union address of 23 January and quickly dubbed the 'Carter doctrine') that 'an attempt by an outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States of America. It will be repelled by use of any means necessary, including military force', and a plan for increased military preparedness which would transform the rhetoric of the Carter doctrine from a declaratory to an operational policy. It was less important, however, that the American posture so resembled previous doctrines elaborated by Truman and Eisenhower that it could hardly be considered a conceptual innovation than that its message was a clear signal to Moscow that further aggressive moves in the Gulf meant war.[9]

[7] Prior to the Soviet intervention, the Kabul regime was so unstable that only minimal order was maintained in limited areas—and this was done with the aid of Soviet combat units. See Richard S. Newell, 'Revolution and revolt in Afghanistan', *The World Today*, November 1979.

[8] As has been argued by Selig Harrison; see 'Did Moscow fear an Afghan Tito?', *International Herald Tribune*, 16 January 1980.

[9] Indeed, both the style and the content of American policies towards the Soviet Union were reminiscent of Cold War diplomacy and very far from the conditions of the Nixon doctrine and related notions whose common theme was that the United States was disinclined to take an active combat role in Third World areas. The Soviet response was one of defensive innocence, purporting to see in the Carter behaviour the old trick of seeking re-election by diverting attention from the real economic problems and towards a return to brinkmanship and the 'cult of brute force'.

Whatever the confusions concerning the motivations for the Soviet intervention in Afghanistan or differences within the West about how to react, the Carter Administration adopted a clear and determined position: the policy was containment and the strategy was to take every opportunity to deter further Soviet expansionism and to combat it militarily if deterrence failed. The building of rapid deployment and naval forces, a continuing playing of the 'Chinese card' which soon included a (reversed) US policy of sales to Peking of military items, the deployment of a contingent of American Marines and the positioning of aircraft carriers in the Indian Ocean, a search for facilities and base privileges in nearby regions, encouragement of West German aid to Turkey and Arab aid to Pakistan (following the latter's refusal of an insufficiently tempting US offer), alerting combat aircraft in Western Europe and staging B-52 overflights of the Gulf region, a pledge to Yugoslavia (whose President Tito became critically ill in January) of a positive response to any appeal for assistance, and continuing actions which had begun in response to the Soviet military build-up before Afghanistan (MX missile development, modernized theatre nuclear forces for stationing in Nato countries, ongoing commitments to the Trident and cruise-missile programmes) all amounted to an American response which if anything was even more clear than the act which prompted it.

Presidential politics—reborn yet again?

Jimmy Carter, it was widely agreed, was the beneficiary of foreign developments which could hardly have come at a more welcome moment for a domestically unpopular leader. The challenges of Iran and Afghanistan, which began separately but became intertwined in their effects, afforded the President an opportunity to show that he was, after all, capable of firm policies and mature statesmanship. As the American presidential election year began, there were many contenders on the stump but only one in the White House. Prior to the crises of late 1979, the chances of ousting a sitting president had looked better than at any time since 1932, especially since the domestic economic situation appeared more salient than foreign policy issues. As the primaries progressed, Senator Edward Kennedy's bid to take up the mantle of his fallen brothers within the Democratic party seemed doomed to failure under the weight of character flaws whose manifestations could not be forgotten. On the Republican side, Ronald Reagan, the ex-Governor of California, retained his lead over a host of challengers. In early April it looked as if the former peanut farmer, elected in 1976 in spite of his complete lack of familiarity with foreign policy, Congress or the workings of the federal bureaucracy, was about to be confronted by a former movie actor who shared precisely these deficiencies.

As Reagan gathered delegates pledged to his nomination in spite of his meagre qualifications and advanced age,[10] observers began to point out that he was neither as improbable nor as unelectable as had been assumed. His positions on key issues, to the extent that they could be elicited beyond simplistic ideas he frequently carried on index cards, seemed attuned to the trend towards American

[10] At 69, Reagan would be the oldest President ever elected in the United States.

conservatism-cum-patriotism which was increasingly manifest. Reagan opposed inflation, big government and a foreign policy of drift and weakness—all of which had come to be associated with Carter. He favoured increased defence efforts, defeat of SALT II, and firmness towards Moscow. The prospect of another on-the-job trainee appeared not to trouble sufficient numbers of voters to deny him repeated primary victories. His foreign policy pronouncements included so many inanities as to be almost amusing,[11] but his repeated promise of a change from the 'vacillation, appeasement and aimlessness' of the Carter Administration had great appeal when delivered by a pleasant, media-trained personality in a heavily patriotic atmosphere.

Carter's only serious rival in the Democratic party was unable to appeal to the public successfully either on the issues or as a more attractive personality: Kennedy's argument that the American economy was deeply troubled by inflation and high interest rates was indisputable, but of little benefit to the Senator whose reputation as a big-spending liberal did not engender confidence in fiscal conservatism; memories of Chappaquiddick, his philandering, his wife's alcoholism, his cheating at university and other personal failings contrasted sharply with Carter's image of a trustworthy family man. For the Democrats, the first primaries were not so much elections of persons holding competing political philosophies as referenda on the acceptability of the individuals in the political arena, with the President the less objectionable of two flawed figures. It thus seemed unlikely that Carter could be unseated either from within his own party or by his probable opponent in November.[12] In spite of domestic failures in the economy and the frustrations of the crises in Iran and Afghanistan, the President had emerged remarkably well from a poor start. There remained one prominent contingency which could bring sudden failure, a recurrent tendency towards bungling and mismanagement, especially visible in foreign policy matters. Someone as capable of repeatedly shooting himself in the foot, it was observed, could still get himself in the temple.

Much of the Carter presidency has been marked by an inability to elaborate consistent and coherent policies on such major matters as US–Soviet relationships. This has been due in part to the continued presence at the highest levels of the Administration of officials whose views differ dramatically on certain issues, and in part because from the outset of his tenure Jimmy Carter sought to introduce elements of change into American foreign policy which were not based upon a systematic analysis of the world structure of power.[13] As the focus of confusion shifted from the changing pecking order among competing officials to the question of the President's competence, speculation increased as to whether the very crises

[11] Reagan often confused the Korean War with the war in Vietnam, could not remember which was which as between Pakistan and Afghanistan, proclaimed the Shah's government 'a progressive regime', called for a blockade of Cuba and publicly stated that he had it on the best authority that West Germany was considering leaving Nato and making a deal with the Eastern block.

[12] The third-party candidacy of the liberal Republican, John Anderson, remained only an outside possibility.

[13] See the present writer's Note in *The World Today*, July 1977, and note 1 *supra*. See also Stanley Hoffmann, 'Muscle and brains', *Foreign Policy*, Winter 1979–80, pp. 3–27.

which had brought a revival of Carter's fortunes had been, in effect, invited by the image of a befogged and weak America led by an ineffectual president.

To earlier memories of the fiasco of the 'neutron bomb' episode, and the 'discovery' of a Soviet combat brigade in Cuba, was added, in the fall of 1979, a string of various mistakes—some traceable to overblown rhetoric, some to naïveté, some to clumsiness and some to political opportunism. Together, these gave a strong impression of amateurism which irritated America's allies and, perhaps, encouraged its enemies. Examples included acceptance of an international commission to investigate the situation in Iran when it had been repeatedly stated that release of the hostages would have to precede such a step; the temporary recruitment of the boxer Mohammed Ali as a roving ambassador who almost reversed his allegiance when he learned that his country's adversaries had valid complaints; an offer of aid to Pakistan following the invasion of Afghanistan which was rejected as so small as not to make it worthwhile to offend the Soviet Union by accepting it; a statement, after having said that the United States would abide by the provisions of SALT II, that the President reserved the right to renounce the treaty if in consultation with the Senate it appeared that a national interest required this; and the reversal of a US vote in the UN Security Council two days after it was cast on the ground that the Secretary of State had not understood presidential orders to vote against a resolution containing references to Jerusalem which were prejudicial to the Israelis. In addition to these public errors, there were complaints from the European allies that they had not been consulted prior to the announcement of the Carter doctrine, and criticisms from American observers that the US had played the China card crudely and badly in view of the continued mutual super-power interest in retaining a working relationship with the objective of minimizing the dangers of a nuclear war. Finally, as months passed and all efforts to obtain the release of the hostages in Tehran failed, only patience or force remained. Despite Carter's rhetoric, the Russians stayed in Afghanistan, having obtained some grain supplies from Argentina; and only a few states were pledged to join the American boycott of the Moscow Olympics. The authentic achievements of the Carter Administration in arms control, the Middle East, the normalization of the Sino-American relationship and the strengthening of the North Atlantic Alliance failed to draw attention away from the impression that US foreign policy was neither firm nor clear but, in Senator Kennedy's words, 'lurching from crisis to crisis'.

US over-reaction?

As Carter began to serve his fourth, and perhaps last, year in the White House, the most important question for allies and adversaries was whether there had been an over-reaction to the Soviet intervention in Afghanistan. Was it a watershed—or only a rough bump on the unpaved road of East–West relations in the Third World? Détente for all its ambiguity had always been a state-to-state phenomenon which did not extend to ideological competition, and while the Russian invasion was surely unsupported by international law or morality it was not the first time that there had occurred a Soviet military occupation of a neighbouring Marxist

country. The danger in the developing US foreign policy mood was not that the Russians would call the American bluff in the Persian Gulf, but that, having taken a firm stand and having warned Moscow that any bid to take over the oil fields of the region would risk an immediate war, the escalating rhetoric of confrontation would bring the super-powers back to the atmospherics of the Cold War, which in turn would preclude future arms control steps and exacerbate competition in an already unstable Third World. Relations with the Soviet Union, not lesser states, will remain the primary problem for any American administration in the 1980s.[14]

Just as détente was divisible in the early 1970s when the United States signed the SALT I accords with hands that were less than clean, it was divisible in the later 1970s when American leaders opted to proceed towards SALT II despite Soviet activities in the Horn of Africa and elsewhere. Détente I may be said to have ended with the embitterment of US–Soviet relations in the second half of 1979. Its demise was perhaps as much due to American actions (the Cuban brigade posturing, inaction in the Senate on SALT II, a new language of anti-Soviet toughness in Washington, the overplaying of the Chinese card, and above all the decision to modernize Nato's theatre nuclear forces with new American weapons in Western Europe) as to the persistent Soviet military build-up and Russian probing of targets of opportunity in the Third World. Cold War II may be short-lived, but even so Détente II will be different from its predecessor. It will be based, as Détente I should have been, on a strengthened West and a balance of military power perhaps belatedly redressed by the shock of Afghanistan. President Carter may still emerge successfully from his three crises—but the temptation to play to a new anti-détente constituency will be difficult to resist.

[14] See Leslie H. Gelb and Richard H. Ullman, 'Keeping cool at the Khyber Pass', *Foreign Policy*, Spring 1980, pp. 3–18.

Eastern Europe in the wake of Afghanistan

PETER SUMMERSCALE

How have recent events in Afghanistan, and the accompanying deterioration East–West relations, affected attitudes in Eastern Europe? This article will lo at the repercussions at official level and to some extent also at those on unoffic attitudes. Particular attention will be paid to Poland, Romania and Czech slovakia as representative of different tendencies within the Soviet bloc.

The East European regimes were apparently taken totally by surprise by t invasion of Afghanistan. Certainly there is nothing to suggest that there was a prior consultation within the Warsaw Pact. If, as seems not unlikely, the decisi to invade was reached with some difficulty, it may be the more understandal that the Soviet leaders did not find time for such consultation with their partne More important, the Kremlin will doubtless have assessed that, especially in vi of the well-known Romanian objections to military intervention as an instrume of policy, consultation would have produced friction as well as the loss of precio time. Soviet sensitivity and apprehensiveness may be reflected in the fact that t other Warsaw Pact countries with the exception of Romania avoided contact wi the West in the immediate aftermath of the invasion.[1]

In the event, Romania registered its disapproval of the Soviet action in Afgha stan by absenting itself during the relevant UN vote calling for the withdrawal troops. At the other extreme, the German Democratic Republic and Czech slovakia have supported the Soviet contention that the USSR was fully justified responding to an Afghan request for military aid. Communiqués signed duri visits by the Czech Foreign Minister to Vietnam and Cambodia in February spo of the 'inalienable right of Afghan people' to request assistance from fratern Socialist states.[2] The most interesting, if not altogether surprising, of the Ea European reactions came from Poland and Hungary, whose regimes were caref not to break ranks, but whose scant and belated comment on the Afghan interve tion conveyed an unmistakable impression of lack of enthusiasm. At the 12 Party Congress, the Polish party leader, Edward Gierek, largely confined hims to a reaffirmation of the benefits of détente, Polish commitment to which he r emphasized in his proposal for the convocation of a conference on disarmame in Warsaw; it was left to the visiting Politbureau member, M. A. Suslov, to offer a

[1] An example was the cancellation of the planned meeting in March between Herr Schmi and Herr Honecker.

[2] More recently, the Czechs have gone on record as welcoming the 'principled internationali action' of the Soviet Union in Afghanistan; see the joint communiqué of 20 March at the e of the Czechoslovak Foreign Minister's visit to Moscow.

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apologia for Soviet Afghan policy. In both Poland and Hungary the trend has been to depict the Afghanistan affair as an off-stage Imperialist-provoked alarum and excursion which should not interfere with the process of co-operation in Europe.

The Brezhnev doctrine

East European misgivings about the Soviet action may be broadly categorized under two heads—the parallels with the Brezhnev doctrine of limited sovereignty and the broad implications for détente in Europe. The first of these sets of preoccupations was viewed differently in the various East European states. While the Soviet leaders have not reasserted the Brezhnev doctrine in terms, Soviet justification of the invasion of Afghanistan as a response to 'internationalist duty' in defending socialist revolution is based on the same concept of 'socialist internationalism' which is at the core of the Brezhnev doctrine. Arguably what has been done is to extend that doctrine beyond the confines of Eastern Europe.

In 1968 the leaders of two East European regimes—the German Democratic Republic and Poland—would appear, from the evidence now available, to have actively encouraged a vacillating Soviet leadership both to have elaborated the Brezhnev doctrine and to have taken the eventual decision to invade Czechoslovakia. It would hardly have been logical for either regime to have publicly opposed the use of force in 1980 in order to defend a 'gain of socialism', albeit one which was this time outside the confines of Europe. In the case of Romania, on the other hand, it was a foregone conclusion that a protestation of dissent would be made; in the years since 1968, Romania alone in the Warsaw Pact has repeatedly dissociated itself from the Brezhnev doctrine.

Recently the Romanians have added some new glosses. The communiqué at the end of Lord Carrington's visit to Romania in March contained a passage which directly attributed the deterioration in international relations to 'policies based on force and violation of national independence and sovereignty'. President Ceausescu has complained about the tendency to see world politics in terms of spheres of influence, and has blamed the illusion that 'détente is irreversible' (at one time a favourite Soviet dictum) for the lack of resolve of small and medium-sized countries in opposing domination and interference in internal affairs. The Romanians do not, of course, reject the Afghan revolution, but simply argue that its course should be left to the Afghans themselves to determine.

East European leaders have had no reason to doubt that the Soviet Union would again be guided by the Brezhnev doctrine if confronted with a new situation in Eastern Europe which was perceived to present a major threat to Soviet control. The application of similar principles in a non-European context, in a country whose 'socialist' status had been recognized for less than two years, will, however, have served as a reminder of the extent to which the Kremlin has come to regard the use of military power as a natural instrument of policy.

Détente and trade

The main East European concern has resided in the implications for détente of the Afghan adventure. While the degree of concern has varied from country to

country, a common consideration has been the implications for the growing trade and economic links between Eastern Europe and the West. East-West trade is much more important for the East European states than it is for the Soviet Union in terms of its influence on their overall economic activity. It accounts for over one-third of the foreign trade of the East European Comecon countries, and its growth has mirrored the relaxation of political tension in Europe which began in the late 1960s and was to find expression in the 1975 Helsinki Final Act. The heavy indebtedness of some East European states to creditors in the West (which poses far greater problems for the East European planners than it does for their Soviet counterparts who confront a currently manageable scale of debt) has underlined the vulnerability of Eastern Europe to shifts in attitude on the part of the Western trading nations.[8]

Not surprisingly, East Europeans have called for 'business as usual'. So far, this has struck a responsive note: after some initial hesitation, the United States authorities appear to have made it plain that they proposed to differentiate sharply between the Soviet Union and at any rate its more patently reluctant allies. Romania, Poland and Hungary were clearly not going to be victimized. The attendance of Western trade ministers at the Leipzig Trade Fair in March, and the scale of transactions concluded there by Western firms, will have been taken as a sign that Western interest in 'business as usual' was not confined to the softer-line Warsaw Pact states. British ministers for their part have made it clear, in answers to Parliamentary Questions, that there has been no change in British policy towards Eastern Europe.

No Western government appears to have adopted a more restrictive approach to Eastern Europe in the application of export credits as a result of the Afghanistan crisis (although higher interest rates may be charged, this would reflect essentially commercial and financial considerations). There has been speculation that the tightening of COCOM restrictions on the sale of high technology products or know-how with a strategic application could affect Eastern Europe as well as the Soviet Union. In practice, however, it seems unlikely that the repercussions in Eastern Europe will be more than marginal. While in theory the Soviet Union might hope to obtain embargoed goods via East European intermediaries, it should usually be possible for Western governments to determine in advance whether there is a significant risk of circumvention in this way. It is also relevant that, although the products of imported know-how can be readily sold to third countries, know-how itself has proved to be far more difficult to pass on.

A common problem concerns the attitude of Western bankers. This is clearly important given the scale of East European indebtedness and at present the situation is extremely fluid. After some initial uncertainty in the wake of the invasion of Afghanistan, bankers appear to have concluded that the attitude of governments to the extension of new credits and loans would not be discouraging. Commercial and economic considerations, rather than political, are likely to be decisive.

[8] Total Soviet bloc indebtedness was recently calculated at US $67 billion of which Eastern Europe accounted for over $50 billion. *Financial Times*, 3 November 1979.

The immediate outlook for the East Europeans is thus that business should, with a little bit of luck, be much as usual, with economic and commercial considerations outweighing the political. If, however, the Afghanistan crisis results in a prolonged deterioration in East–West relations, the calculation may be less optimistic. Trade is to some extent a matter of habit and fashion, and it is not difficult to conceive of circumstances in which trading with Eastern Europe would lose appeal in the West. Conversely, East Europeans may wonder whether the Soviet Union would for long be happy to see a situation in which East–West trade flourished in Eastern Europe while the Soviet Union was actively discriminated against. While in recent years the USSR has allowed its East European clients substantial latitude in developing economic links with the West, it cannot be taken for granted that this tolerance will remain unmodified in the sort of circumstances described.

At this point it may be appropriate to look in rather greater detail at the way in which a prolonged deterioration in East–West relations might affect developments in three selected countries: Poland, Czechoslovakia and Romania. It will be seen that the emphasis in each is different.

Outlook for Poland

Poland is currently experiencing an economic crisis. This has been reflected in the recent revelation that in 1979 Poland's national income actually fell by 2 per cent. The resignation of Piotr Jaroszewicz and his replacement as Prime Minister by E. Babiuch were interpreted as evidence that Gierek saw the need for a new hand if not necessarily a new approach. But the roots of the crisis go deep and few Poles can see any quick remedies in prospect.

The problem can be traced back to the economic strategy which Gierek himself introduced soon after his assumption of the leadership in 1970. By means of massive borrowing in the West (at a time of recession in the West when US and European banks were conveniently replete with funds), the government set in hand a huge investment programme designed both to raise living standards at home and to enable Poland to increase its exports, particularly to the West: the aim thereby was to earn the hard currency required to repay the massive borrowings, and the intention was to balance the trade account by 1980. In the first half of the 1970s the investment spurt was accompanied by large increases in real incomes (real wages in 1971–5 rose, according to official Polish figures, by no less than a total of 40 per cent), and many observers, foreign as well as Polish, believed that a Polish economic miracle might be in the making.[4] But in the second half of the 1970s the optimism diminished fast. Poland was unable to achieve the desired level of exports, owing partly to the fact of continuing recession in the West and partly to Polish inexperience in the difficult art of marketing (and providing good service facilities for) their new lines in highly competitive Western economies. Meanwhile, there has been a sharp contraction in the growth of real incomes, a series of poor

[4] An example of an over-optimistic Western assessment is Adam Bromke and John W. Strong's *Gierek's Poland* (New York/London: Praeger, 1973). For a more critical evaluation, see Alex Pravda, 'Gierek's Poland: five years on', *The World Today*, July 1976, and Adam Bromke, 'Poland at the crossroads', *ibid.*, April 1978.

harvests, and failure to meet popular demand for consumer goods (stimulated by the huge wage increases of the early 1970s). The hoped-for balancing of the trade accounts by 1980 is clearly no longer realistic. The Soviet Union is rumoured to have stepped in with short-term support in the form of a $1 billion loan in hard currency.

A major problem for the regime now is to raise new loans and credits in the West in order to service its huge debt (totalling between $17–18 billion according to a recent official Polish estimate) and to finance continuing trade and development. A Polish source has estimated the sum needing to be raised for these purposes in 1980 at no less than $5 billion;[5] non-Polish estimates have quoted figures of up to $7 billion. First approaches to Western banks were apparently made just before the Afghanistan crisis erupted, and in most cases the response remains to be seen. French banks appear to have put together a loan for over $300 million to replace maturing government export credits.[6] This has been described as a disguised form of rescheduling and has encouraged speculation that the Poles may be forced to resort to multilateral rescheduling of their vast debt. However, the signs are that the Polish authorities are determined if possible to avoid an overt rescheduling. Western bankers will clearly be guided mainly by hard calculations of Poland's credit-worthiness—in a recent *Euromoney* survey, Poland rated no higher than 56th in credit-worthiness out of a total of 75 countries assessed. At the same time, political factors seem unlikely to help: although there may be a certain sympathy for Poland as a helpless victim of Soviet big-power politics, the rise in East–West tension may be seen as an excuse by bankers who are in any case unenthusiastic about sinking new money into Poland.

Internal political problems have compounded, and been compounded by, the economic crisis, and it is here that the repercussions of Afghanistan could be the most serious. The regime is confronted by opposition groups which are growingly vocal and which make up in moral fervour for the institutional legitimacy they are denied. The Catholic Church, with the advantage of legitimacy, has acted as a repository of Polish national sentiment and as a restraint on those favouring repression and intolerance. The government has had to perform a balancing act in which it has relied on its ability to pose as a champion of Polish national aspirations as well as the requirement to demonstrate 'socialist internationalism' as enjoined by the Soviet Union.

A prolonged general deterioration in East–West relations could affect the government's image in this context. While Poland's ability to conduct an independent foreign policy is in practice very heavily circumscribed, the 'opening to the West' associated to a limited extent with Gierek's economic strategy of the 1970s and, more importantly, with the Helsinki/CSCE process has for many Poles offered the hope of a more widely acceptable internal path. The Popes' visit to Poland, which could only have taken place at a time of East–West détente, was a vivid illustration of the extent to which a less than averagely dogmatic Communist leadership

[5] This figure was quoted in January by Poland's Finance Minister, Henryk Kisiel. *Financial Times*, 21 January 1980.

[6] *Euromoney*, March 1980.

was willing to play down sectarian interests to the benefit of national reconciliation.[7] A major setback to détente would not necessarily mean a return to the politics of the Stalinist era, or to the reinstitution of a highly repressive system. However, it could in time make it more difficult for Gierek or his successors to pursue a 'Polish way' and to maintain the delicate balance with the Church and with the non-conformists outside the Polish Communist Party. If the Soviet leaders attempted to strengthen ideological control and to impose greater conformity within the bloc, the outlook for the 'Polish way' would not be promising.

Czechoslovakia's insulation

The position in Czechoslovakia is rather different. Since 1968 there has been no attempt to move towards national reconciliation on the (admittedly largely unplanned and inherently fragile) Polish pattern; repression would now appear to be as severe as at any time since Dubcek lost control. At times the Czech leadership has appeared embarrassed by the implications of détente and CSCE (as, for example, when a Prague trial of dissidents was roundly condemned, to general Warsaw Pact discomfiture, during the 1977–8 Belgrade review conference on European security). In 1979, and into the current year, the regime has continued to show the scantest regard for outside (including Eurocommunist) opinion, as most recently evidenced in the expulsion of foreigners who attended private lecture meetings and in the arrest of Dr Tomin.

Nevertheless, in the economic sphere at least, Czechoslovakia has followed the general East European pattern in developing trade links with the West. It currently faces a similar problem to Poland's in marketing its exports in the West. Recent growth in industrial productivity has been disappointing, as has been the attempt to improve quality, especially in engineering goods for export. In part this has stemmed from the government's cautious policy in importing investment goods from the West (which has kept the scale of Czech indebtedness to much more manageable proportions than that of Poland). Czechoslovakia has also suffered from a poor harvest.

Partly no doubt as a result of the regime's authoritatian style of governing, and its total intolerance of any form of dissent, a freeze in East–West relations probably gives rise to many fewer anxieties, in official circles, in Czechoslovakia than it does in Poland. At the cost of alienating many of the intellectuals and heavily restricting personal freedom, the regime has been relatively successful in insulating itself from outside influences. It is noteworthy in this context that the Czech authorities are going ahead with plans to reform the system of management. The aim would appear to be to extend the scope of the 'Complex Experiment' in economic management, begun last year. While the regime has been careful to avoid the term 'reform' to describe the measures being introduced, there are some resemblances to the relatively successful and more far-reaching economic reforms instituted in Hungary. The main emphasis of the Experiment, originally restricted to 150 firms employing 500,000 workers, is on profitability and improvement in quality, with

[7] See George Blazynski, 'The Pope among his people', *The World Today*, July 1979.

rewards for workers and management tied to qualitative as well as quantitative criteria. The regime's decision to take this step reflects mainly a practical recognition of the need to improve efficiency in the wake of indifferent economic—including export—performance. At the same time, it clearly believes that its political grip on the country would not be affected.

Effect on Romania

Romania has also had its share of economic misfortune in 1979, with industrial and agricultural production significantly below plan and with disappointing gains in productivity. Romania's keen interest in developing trade with the West seems likely, if anything, to strengthen further as a result. But the main immediate preoccupation of the regime is with the effect of the Afghanistan affair on Romania's independent international posture.

It is obvious that renewed East–West tension will run counter to the Romanian call for a Europe based not on military blocs but on co-operative relations between independent nations in accordance with the principle of equality. Romania's success in asserting an independent image has been considerably assisted by the development of détente and of the CSCE process, which incorporated—in the formulations of the Helsinki Final Act—not a few of the international precepts dear to Romania's leaders. The failure in 1978 of the Belgrade review meeting[8] was a reverse for Romanian policies which did not, however, prevent Romania from making such gestures of defiance as the refusal in 1979 to agree to the increase in Warsaw Pact defence spending called for by the USSR. The Afghan crisis is potentially more serious. The Romanian non-participation in the vote on Afghanistan in the United Nations was followed a few weeks later by a visit to Bucharest by the Soviet Foreign Minister, Andrei Gromyko, who, according to press reports, sought to bring Romania into line in several (undefined) areas. Romanian policies do not seem to have changed as a result, as was shown by Lord Carrington's subsequent visit. But it would seem less easy to strike nationalist postures during a period of prolonged international tension. The fact that Romania is no longer self-sufficient in energy, and is reportedly beginning to import Soviet oil, is not irrelevant here.

The Soviet Union continues to dispose of powerful levers, political, military, and above all economic, which will inevitably limit autonomy in Eastern Europe whatever the international climate. The most obvious examples today are East European countries' dependence on (for them still cheap) Soviet oil and their growing reliance on Soviet natural gas.[9] Planned integration in the field of nuclear power is another. It is arguable that the degree of dependence in the economic field is likely to have increased irrespective of the Afghan crisis. But such arguments detract little from the general proposition, now supported by the practical experience of the last ten years, that a relaxation in East–West relations permits East European states a greater freedom of manœuvre in their international relations and in the conduct of internal policies. The Czechoslovak regime has eschewed this

[8] See Richard Davy, 'No progress at Belgrade', *ibid.*, April 1978.
[9] See Jonathan P. Stern's article in this issue.

freedom, opting (apparently largely of its own volition rather than as a result of Soviet pressure) to maintain a neo-Stalinist system. In Poland détente has helped to create the conditions for the maintenance of an uneasy political balance which, if little to the taste of authoritarian Communists, has offered a modus vivendi of a kind which evidently suits some facets of the Polish temperament. In Romania it has helped to underpin Ceausescu's unashamed nationalism and to permit a largely autonomous foreign policy.

Such considerations help to explain the real anxiety which most East European governments feel about the fate of the Madrid CSCE meeting which is scheduled to take place in November of this year (after a brief preparatory meeting in September). There have already been reports of suggestions that the conference should be postponed, possibly on the basis of a proposal put forward at the preparatory meeting. Postponement could well be represented as a reverse for the CSCE process since it could imply that the process is subject less to the will of the 35 participating states than to the vicissitudes of super-power relations. On the other hand, it can be argued that a second review meeting held in a confrontational atmosphere and producing even more meagre results than Belgrade would by itself consign CSCE to oblivion.

The repercussions to date on Eastern Europe of the Afghanistan affair should not be exaggerated. In launching the military intervention, the Soviet leaders are unlikely to have seen more than very marginal relevance to Eastern Europe. Apart from the possible implications of Gromyko's January–February visit to Bucharest, and the temporary embargo on high-level exchanges with the West, there has been little to suggest that Soviet thinking has so far altered on the permissible limits of autonomy in Eastern Europe. There is, for example, no sign of any Soviet desire to interfere with the disparate attempts in the various East European states to introduce economic reforms. However, prolonged East–West tension is likely to increase the East European governments' sense of dependence on the Soviet Union, and over a period of time this would almost certainly have some influence on patterns of trade, and economic and political development. The optimism of the Polish technocrats under Gierek in the early 1970s who sought economic salvation in links with the West may not find many echoes in the 1980s. In the interim, the individuals and groups which are striving to limit the effects of totalitarian controls can expect to find life more difficult and the possibilities of assistance further reduced.

The 1980 Rhodesian elections —a first-hand account and analysis

MARTYN GREGORY

WHEN the Salisbury and Patriotic Front (PF) delegations signed the Lancaster House Agreement on 21 December 1979, both agreed to observe a cease-fire monitored by Commonwealth Forces, and to accept the verdict of British-supervised and internationally observed elections after a two-month transition period. This formula, which was adumbrated by the 'Plan for Zimbabwe' that emerged from the Commonwealth Conference of August 1979, incorporated two long-standing elements of Britain's Rhodesian policy; firstly, that Rhodesians should agree upon a solution and its implementation among themselves and, secondly, that the transition to majority rule in Rhodesia was a legitimate matter for international concern and involvement. After the Pearce Commission had found that the Anglo-Rhodesian proposals were unacceptable to black Rhodesians in 1972, Britain made no further effort to achieve a bilateral settlement with Salisbury, insisting that Rhodesians should negotiate a settlement among themselves before Britain would re-enter negotiations. With the intensification of the guerrilla war and its internationalization following the defeat of the Portuguese in Mozambique in 1974, Britain recognized in the Anglo-American initiatives of 1976–9, and at the Lusaka Conference in 1979, that any solution would require international support in order to succeed. Thus, while the onus for translating the paper agreement reached at Lancaster House into reality lay with the political parties and armies in Rhodesia under British colonial auspices, provision was also made for the cease-fire to be internationally monitored and for the transitional period and election process to be observed by a host of international representatives. These two complementary elements of the Lancaster House Agreement were reflected in the cease-fire arrangements, the stated aims of which were 'to create the condition for (1) an effective cease-fire by the establishment of machinery through which disputes could be resolved . . . and (2) the disengagement of forces'.[1] The machinery for ensuring compliance with the cease-fire arrangements and investigating breaches was the Cease-fire Commission chaired by the Governor's military adviser, Maj.-Gen. John Acland, and composed of two senior commanders from both the PF and the Rhodesian Security Forces. The process of disengagement was supervised by the 1,200-strong Commonwealth Monitoring Force (CMF) which comprised 600 British troops and contingents from Australia, Fiji, Kenya

[1] Report of the Constitutional Conference, *Cmnd 7802*, p. 47, para. 8.

The author, a postgraduate research student at Leicester University, spent two months in Rhodesia observing and studying the elections as part of his research for a doctoral thesis. He would like to express his gratitude to the British Social Science Research Council which funded the trip and to the Department of Political Science at the University of Rhodesia and the South African Institute of International Affairs for assistance in the preparation of this article.

and New Zealand. The Lancaster House Agreement recognized that there could be no question of compelling either side to observe the cease-fire; thus the CMF was armed only for self-protection—its role was to monitor, not to enforce. Similarly, although executive and legislative authority was vested in the Governor by an Order in Council at Westminster, the skeleton British administration in Rhodesia had to rely upon the existing public service to implement Lord Soames's directives. Lacking the independent means to enforce compliance with his decisions, the Governor, therefore, depended upon the continued goodwill and co-operation of the Lancaster House signatories in order to establish the conditions for free and fair elections to take place.

The white election

The white election which took place on 14 February was a very low-key affair. Only six out of the 20 white seats were contested and all were won by Mr Ian Smith's Rhodesian Front (RF) party in a low, 57·6 per cent poll. The RF thus confirmed the vice-like grip it has exercised upon the white electorate ever since it first came to power in 1962. Smith himself described the election result as a foregone conclusion and demonstrated his own confidence in the outcome by leaving for the USA on the eve of polling. Although he launched a fierce attack on 'pure democracy' while in Nevada[2] on the day the results were declared in Salisbury, the RF adopted a more conciliatory tone during its campaign amid rumours that the former Finance Minister, Mr David Smith, was preparing to head an anti-Ian Smith faction. While refusing to renounce the principles of UDI when questioned, RF candidates stressed the need for whites to stay united and to keep faith in the country. Of greater significance than the entreaties of RF candidates and Smith's American outburst, however, was the appeal by the Commander of Combined Operations, Lt-General Peter Walls, regarded by the white electorate as the most important leader in Rhodesia, to 'face forward and join hands' as the black majority rule elections approached.[3]

Opposition to the RF was fragmented; eight independents stood in the six contested constituencies. The leader of the liberal National Unifying Force, Mr Nick McNally, defied a party caucus decision to boycott the racially segregated elections and stood against the former RF Justice Minister, Mr Chris Andersen, but lost heavily. The closest result occurred in Kopje constituency where the former RF Chief Whip, Mr Dennis Divans (1,999), easily overcame Dr Timothy Stamps (1,053), a city councillor.

The African campaigns[4]

As a result of the large areas of common ground shared by the three major parties, a feature of the campaign for the 80 common roll seats was the lack of inter-party debate over policy issues. All were agreed, for example, upon the need for free primary school education, major improvements in the health service and the necessity to provide better housing. The policy differences that did emerge, such

[2] *Sunday Mail*, 17 February 1980. [3] *The Herald*, 9 February 1980.
[4] All quotations in this section are from the respective party manifesto unless stated.

as the role of private capital in the future economy of an independent Zimbabwe, tended to be concerned with questions of degree rather than principle; all parties were agreed upon a mixed economy. Consequently the campaign for the black seats revolved around the political credentials and personalities of the party leaders.

The outgoing Zimbabwe Rhodesian Prime Minister, Bishop Muzorewa, started his campaign while his major rivals were still negotiating the final details of the Lancaster House Agreement. Boosted by a multi-million pound injection of funds from South African and European business interests,[5] the United African National Council (UANC) campaign managers, with the experience of the April 1979 elections behind them, capitalized upon their headstart by block-booking the majority of public venues and private transport facilities. For the Bishop's campaign finale, an enormous four-day rally in Salisbury at which 60,000 free meals were provided on every day, 500 buses and nine trains were hired by the UANC to ferry supporters from all over the country to the capital.

The Bishop set the tone for his party's campaign shortly after signing the Lancaster House Agreement when he described Nkomo and Mugabe as 'Ayatollahs operating a slaughter house'.[6] Muzorewa combined frequent attacks upon his major rivals with warnings to the electorate of the dangers posed by 'Marxism-Communism' to Zimbabwe's traditional social, religious and cultural values. The UANC's point of reference was Mozambique, and Muzorewa's attacks upon President Machel's government sometimes bordered upon the hysterical. In a full-page advertisement in *The Herald* the Bishop wrote, 'In Mozambique the people are literally dying of starvation . . . if ZANU (PF) or the PF are allowed to impose the same kind of government upon us you will lose your house, your land, your cattle, goats and chickens . . . your children will be taken away . . . [and] taught to hate the ways of their parents and their tribe . . . to hate both God and the ancestral spirits. Machel . . . is now vomiting this kind of government, why do ZANU (PF) and the PF want us to eat other people's vomit?'[7]

In contrast to the Mozambican scenario, the UANC promised a 'non-aligned' Zimbabwe free from 'foreign ideologies'. The preamble to the party manifesto described Muzorewa as a 'champion of unity' and highlighted his career as a nationalist leader from his emergence as the leader of African opposition to the Anglo-Rhodesian proposals during the Pearce Commission's visit in 1972, through to his participation in the 'internal settlement' of 3 March 1978 and his subsequent election as the Prime Minister of Zimbabwe Rhodesia in April 1979. One policy that was closely associated with the UANC throughout the campaign was its intention to deal 'by day and not by night with South Africa' and to expand and develop trade links with Mr Botha's government.[8]

Joshua Nkomo's campaign style differed significantly from Muzorewa's. Assiduously refraining from attacking other party leaders, in contrast to his

[5] The UANC refused to disclose the sources of its finance, but the Anglo-American Corporation is known to have donated US$5m. The OAU claimed that Muzorewa and 'other elements' had received US$55m. from Western and South African business interests.

[6] *The Guardian*, 22 December 1979. [7] *The Herald*, 20 February 1980.

[8] *ibid.*, 23 February 1980.

frequent denouncements of Muzorewa at Lancaster House, Nkomo stressed the need for peace and unity. Although his hopes of a common electoral platform with ZANU (PF) were disappointed, he refused to be drawn into public criticism of Mugabe despite evidence that ZANLA elements were making it impossible for Nkomo's supporters to campaign in certain areas.

Having changed its name from the Zimbabwe African People's Union (ZAPU) to PF in order to stress its campaign theme of unity, Nkomo's party made a major effort to overcome its image as a regional, tribally based party appealing merely to the Ndebele groups in Matabeleland where only 16 out of 80 seats were being contested. Nkomo had been careful to maintain a balance between Ndebele and Shona speakers on his executive when in exile, and for the elections he put up some of his senior party officials such as Joseph Msika, Josiah Chinamano and Willie Musarurwa in Mashonaland constituencies. The PF campaign, which received a US$5m. grant from the Organization of African Unity (OAU),* stressed its leader's avuncular image as 'Father Zimbabwe'. Nkomo's experience as a trade union and nationalist leader of 30 years' standing, his role in initiating and pursuing the armed struggle and his ability to unite Zimbabweans of all races and tribes were key points in PF election material. The party programme stated that when in government the PF would aim for a 'self-reliant' economy. The manifesto made no mention of socialism or Marxism.

Robert Mugabe returned to Salisbury from exile only one month before the election to be greeted by the largest gathering ever to attend a political meeting in Rhodesia—approximately 250,000 people. Mugabe possessed the enormous advantage of having not been tainted, in African eyes, by any association with Ian Smith. Shortly before Mugabe returned to Rhodesia, Smith urged white employers to persuade their black workers to vote for Nkomo in order to keep Mugabe from power. As the leader of ZANLA, the largest and most active guerrilla army, Mugabe was regarded as victory incarnate by many Africans, particularly the youth. By the end of January Mugabe's orders to ZANLA to abide by the Lancaster House Agreement and proceed to the Assembly Points, had resulted in 16,000 of his guerrillas obeying his command and a significant decrease in the level of armed conflict in the country. With the election still four weeks away, it seemed to many voters that by the time Mugabe had returned to the country he had already made a major contribution towards achieving what Muzorewa had failed to do in nearly two years since signing the 'internal settlement' of 3 March 1978—bring an end to the war. The mystique that surrounded Mugabe was heightened by the fact that he made only three public appearances during the election campaign, following two attempts on his life.

Having decided to contest the election alone, ZANU (PF) produced a manifesto that was Fabian rather than revolutionary in character. While the party's history of militancy and armed struggle was recalled at some length in the introduction, the policies advocated owed little to the Marxist-Leninist philosophy formerly professed by ZANU. Although committed to a 'socialist economy', ZANU (PF)

* The OAU gave US$10m. to Mugabe and Nkomo which they divided between them when their parties decided to fight the election separately.

nevertheless 'recognized the historical, social and other existing realities of Zimbabwe', and would 'allow private enterprise to continue'. The gradualist tone of the manifesto helped to allay the fears of the white community and foreign investors who had believed that widespread nationalization and the wholesale expropriation of farm land were articles of ZANU (PF) faith. The party symbol, depicting a cockerel crowing against a background of a sunrise, proved to be a master-stroke. Throughout the country, ZANU (PF) supporters invented songs, dances and slogans exhorting the electorate to 'Vhoterayi Jongwe'—Vote for the Cock.

Of the minor parties only two were considered likely to win seats. The Rev. Sithole's ZANU, which held 12 seats in the Zimbabwe Rhodesian Parliament, was boosted by the decision of 37 of the 64 ZANU (PF) dissidents, released from Mozambique as part of the Lancaster House Agreement, to join the party. Several of Mugabe's former lieutenants stood as ZANU candidates. The Zimbabwe Democratic Party (ZDP), formed by the veteran nationalist, James Chikerema, when he resigned from the UANC in 1979, was also hopeful of winning enough seats to be influential as part of a coalition government if no party gained an overall majority.

The international verdict

In reports presented after the end of polling but before the start of the count, the vast majority of international observers, who included national groups from individual countries and representatives of non-governmental organizations in addition to the Commonwealth Observer Group (COG), found that the elections were sufficiently free and fair to constitute a genuine expression of the electorate's wishes. As many observers pointed out, however, the conditions that enabled the parties to resolve their differences through the ballot box had been created and maintained by the agreement of the Patriotic Front and the Rhodesian forces to observe a military truce. Although hostilities had continued well beyond 28 December 1979, the cease-fire date, and many PF forces had not moved to the Assembly Points within the seven-day period agreed at Lancaster House, there was a significant decrease in the level of military activity during January. By 13 January, when PF leader Nkomo returned to the country, nearly 22,000 guerrillas (16,000 of Mugabe's ZANLA and 6,000 of Nkomo's ZIPRA) were gathered at the 16 Assembly Points and the Rhodesian Security Forces had, in the main, observed their part of the reciprocal disengagement process. Despite small fluctuations, the number of guerrillas at the Assembly Points remained constant until the elections. Although the Rhodesians claimed that the guerrilla commanders had left their best fighters in the bush and sent untrained supporters to the Assembly Points, members of the CMF expressed some surprise at the standards of military drill and discipline demonstrated by many of the guerrillas.

From the first meeting of the Cease-fire Commission a clear pattern emerged; although the definition of a 'breach' of the cease-fire was broad, covering anything from a five-second 'contact' to a full-scale engagement, the Commission found that over half of confirmed violations were attributable to ZANLA at every meeting. In mitigation ZANU (PF) officials pointed out that their forces outnumbered

ZIPRA by a 3 to 1 ratio, that they had been operating in a larger area of the country and that, due to ZANLA's decentralized command structure, it was difficult to reach all the cadres operating in the bush. In this context, the Governor's decision to employ only the Rhodesian Security Forces to deal with breaches of the cease-fire, and to ignore the offer made by the guerrilla commanders to discipline their own forces which did not comply with the cease-fire, surprised observers and led to allegations that the opposing forces did not enjoy equal status in Lord Soames's eyes. The Lancaster House Agreement stated, 'If there are breaches of the cease-fire, it will be for the Commanders . . . on both sides . . . to deal with these'.[10]

The final Cease-fire Commission communiqué attributed the following totals of confirmed breaches: Rhodesian Security Forces 2 and 12 'incitements to breach'; ZANLA 99 and 35 recorded in former ZANLA operational areas; ZIPRA 24 and 12 recorded in former ZIPRA operational areas; bandits 17; unattributable 18.[11] On the first day of polling, 27 February, the Commission agreed unanimously with a proposal from the Rhodesian members that it should no longer spend time seeking to attribute responsibility for breaches of the cease-fire but should be concerned with discussing measures to promote reconciliation and create a permanent peace. This move reflected the high degree of understanding and mutual respect which developed between senior military leaders during the transition period.

Observers were united in their praise for Britain's management of the election from a technical point of view. The 93·6 per cent turnout of voters confirmed that the Governor's publicity campaign informing the electorate of the voting dates and the location of the polling stations, and guaranteeing the secrecy of the ballot, had been successful. The all-party Election Council exercised a general consultative function throughout the campaign, dealing with complaints of electoral malpractice and making recommendations to the Governor. The Chairman of the Election Council, the Election Commissioner Sir John Boynton, concluded in his interim report that the result of the election would be 'a general reflection of the wishes of the people'.[12] This was a significant conclusion for, on 12 February, Lord Soames had given himself the power to declare the elections abrogated in any area where he considered that it would be impossible to hold a free and fair poll.[13] Although Sir John's election supervisors reported that intimidation was likely to distort the pattern of voting in certain areas in the provinces of Victoria, Manicaland and the Midlands (the guilty party or parties were not named in the interim report), Sir John recommended to the Governor that the election should proceed as planned throughout the country.

Vital to the degree of international recognition likely to be accorded to the new government of Zimbabwe was the verdict of the COG—the only observer group charged with a collective, inter-governmental mandate. During the transitional period several Commonwealth countries had been sharply critical of Lord Soames. Two of the principal architects of the Lusaka Agreement, Tanzania and Zambia,

[10] *Cmnd 7802*, p. 49, para. 19. [11] *The Herald*, 23 February 1980.
[12] Interim Report by the British Election Commissioner, Sir John Boynton, 2 March 1980.
[13] *Southern Rhodesia, Ordinance No. 8 of 1980.*

accused Britain of rigging the elections in advance and Nigeria announced it would support continued guerrilla warfare if Britain attempted to exclude Mugabe from power. In London the Commonwealth Secretary-General, Mr ShridathRamphal, informed Lord Carrington of the Commonwealth's 'crisis of confidence' in the British administration of the elections only four days before polling started.[14] In Rhodesia the COG's Interim Report was more restrained. The report criticized 'deficiencies' in the implementation of the Lancaster House Agreement, and discerned a 'lack of impartiality' exhibited by the administration in dealing with the interests of the different parties. The COG's conclusion, however, was that the elections were an 'adequate and acceptable means of determining the wishes of the people in a democratic manner'.[15]

The presence of South African troops in Rhodesia throughout the election campaign damaged Lord Soames's credibility in the eyes of many observers; of the election contestants only Bishop Muzorewa publicly supported the South African presence. ZANU (PF) and the PF alleged that the presence of the South African Defence Force (SADF) at Beit Bridge contravened the Lancaster House Agreement. Responding to heavy domestic and international pressure, Lord Soames instructed the SADF to leave Beit Bridge on 31 January but South African soldiers and equipment remained in the country until after the election. Mugabe claimed that there were never less than 6,000 South African troops in Rhodesia throughout the transition period and, although he did not quantify the extent of his country's involvement, the South African Prime Minister, Mr P. W. Botha, announced that South African forces had left Rhodesia immediately after the election and that Lord Soames had been aware of their presence.[16]

Lord Soames's decision to use the Rhodesian Security Forces, including the pro-Muzorewa auxiliaries, to maintain law and order was a constant source of concern to many observers. Mugabe and Nkomo frequently pointed out that the Lancaster House Agreement stated that 'the task of maintaining law and order in the transition period will be the responsibility of the civil police'.[17] Related to the controversy surrounding the enforcement of law and order was the question of intimidation; although British officials and the Rhodesian media focused almost exclusively upon allegations of intimidation by ZANLA forces, most observers formed the impression that intimidation by the Security Forces, and in particular the auxiliaries, was often overlooked. For example, the COG's final report, released on 8 April, states that 'intimidation by guerrillas was by no means as widespread or as brutal as official spokesmen claimed' and is also severely critical of Bishop Muzorewa's auxiliaries. In one survey of the five main African hospitals in Harare, Marandellas, Rusape and Umtali, areas where ZANU (PF) intimidation was allegedly rife, 65 per cent of all the patients being treated for injuries related to the war or the election campaign reported that they had been the victims of Security Forces, police, auxiliaries, District Assistants or UANC supporters.[18]

Mrs Thatcher's statement that Lord Soames would not be bound to ask the

[14] *The Herald*, 23 February 1980. [15] COG Interim Report, 2 March 1980.
[16] *The Herald*, 13 March 1980. [17] *Cmnd 7802*, p. 37, para. 20.
[18] 'Election Casualties' survey prepared by Registered Observers with the Canadian non-governmental observer team, 25 February 1980.

leader of the largest party to form a government if no party gained an overall majority, increased ZANU (PF)'s fears that Britain would attempt to encourage an anti-Mugabe coalition after the election. With South Africa reported to be prepared to intervene militarily if the war resumed after the election, Nkomo characteristically exploring all the options available to him in secret talks with the UANC, ZANU and the ZDP[19] and the white community praying for a Muzorewa victory, a variety of post-election power configurations seemed possible.

The ZANU (PF) landslide

In her message of congratulation to Mr Mugabe, Mrs Thatcher commented that 'the road from Lusaka has at times been a hard and difficult one'.[20] That this road could have been travelled at all was due to the combination of internal agreement and international pressure which characterized the seven-month period between Lusaka and the end of the election campaign.[21] As the voters went to the polls, Lt-General Walls, Mr Mugabe and an emissary from the South African government all paid visits to Mozambique, the state with perhaps the greatest interest in ensuring a smooth post-election transition in Rhodesia. While the margin of Mugabe's election victory was to eliminate some of the options explored in Maputo, and was itself a major reason for the unexpected calm that descended upon Rhodesia in the wake of the results, the meetings with the Mozambican government produced agreement that none of the interested parties would resume the war or sponsor its resumption.

By capturing 62·99 per cent of the 93·6 per cent poll ZANU (PF) won 57 seats, sufficient to ensure an overall majority in the House of Assembly; the PF received 24·11 per cent of the votes cast to gain 20 seats and the UANC won 3 seats with 8·28 per cent.[22] Thus the three major parties shared 95·38 per cent of the poll and no other party won any seats. ZANU (PF) swept all 28 seats in Mashonaland Central, Manicaland and Victoria and dropped only 4 seats, 3 to the UANC and 1 to the PF in the constituencies of Mashonaland East and West. As expected, Nkomo's PF won 15 out of 16 seats in Matabeleland North and South, dropping one to ZANU (PF). Only in the Midlands electoral district, where Nkomo was a candidate, was there a significant division amongst the voters; ZANU (PF) won 6 seats and the PF won 4.

Armed with an indisputable mandate to govern, Mugabe moved swiftly to form a coalition with the PF representing 87 per cent of votes cast and 77 out of 80 black seats in the 100-seat House of Assembly; Nkomo himself accepted the post of Minister of Home Affairs. The white community was reassured by the conciliatory tone of Mugabe's broadcast on the evening of his party's victory and by the appointment of two prominent whites, the former RF Finance Minister, Mr David Smith, and the President of the Commercial Farmer's Union, Mr Dennis Norman, to the key Cabinet posts of Commerce and Industry, and Agriculture.

[19] *Africa Confidential*, 27 February 1980. [20] *The Herald*, 12 March 1980.

[21] See Martyn Gregory, 'Rhodesia: from Lusaka to Lancaster House', *The World Today*, January 1980.

[22] All statistics relating to the election results are those published by the Registrar-General of Elections, 4 March 1980.

Perhaps the single most important factor contributing towards post-election tranquillity was the successful initiation of 'Operation Merger'. As the electorate went to the polls 1,200 guerrillas (600 ZIPRA at Essexvale and 600 ZANLA at Rathgar) began training under the supervision of Commonwealth, British and Rhodesian instructors to become conventional soldiers. Simultaneously small contingents of Rhodesian soldiers joined the remaining guerrillas and the CMF in the Assembly Points; this move allayed fears that, as the CMF withdrew, the Rhodesian Air Force would strike against the vulnerable camps after the results of the election were known. With Mugabe assuming the defence portfolio and Walls accepting the chairmanship of the committee of senior military personnel responsible for organizing and extending the integration process, possibly as part of an agreement reached in Maputo, the prospects for a lasting peace in Zimbabwe improved considerably. If Mugabe's stated appeal to his fellow countrymen to beat their swords into ploughshares is to become a reality, the process of creating a fully integrated, national army will be of vital importance as an independent Zimbabwe emerges from eight years of civil war.

Soviet energy prospects in the 1980s

JONATHAN P. STERN

THE growing interest in the energy problems and prospects of the Soviet Union can be explained from several different points of view. For the student of Soviet and East European affairs, the issue provides an important test-case of the Soviet Union's ability to remain self-sufficient in vital raw materials and a touchstone of CMEA* economic integration and co-operation. Those concerned with world energy supplies are anxious to know whether Moscow will remain a contributor to, or become a major competitor on, what is an already overstrained international oil market. For strategic analysts and Middle Eastern specialists, the question raised is whether domestic energy problems will force the Soviet leaders into adventures in the Persian Gulf and, indeed, whether the invasion of Afghanistan marked the beginning of such a policy.

In the latter part of the 1970s, serious strains began to be observed in the Soviet and East European energy situation, which have implications for all these approaches.[1] The Soviet energy production balance shown in the table below

* The Council for Mutual Economic Assistance (CMEA) includes the USSR, Bulgaria, Romania, Czechoslovakia, Hungary, GDR, Poland, Mongolia, North Korea and Vietnam. In this article it is used chiefly to denote the USSR and East European countries.

[1] For background to the mid-1970s, see Jeremy Russell, 'Energy considerations in Comecon policies', *The World Today*, February 1976; also, J. L. Russell, *Energy As a Factor in Soviet Foreign Policy* (London: Saxon House for RIIA, 1976).

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Soviet Production of Major Fuels, 1960–80

	Oil (million tons)	Natural Gas (billion cubic metres)	Coal (million tons)
1960	141·9	45·3	509·6
1970	353·0	197·9	624·1
1975	490·8	289·3	701·3
1976	519·7	321·0	711·5
1977	545·8	346·0	722·1
1978	571·5	372·2	723·6
1979	586·0	407·0	719·0
1980 (plan)	640·0 (606·0†)	435·0	805·0 (745·0†)

† Revised plan.

Sources: Narodnoe Khozyaistvo SSSR for respective years; *Ekonomicheskaya Gazeta*, No. 5, January 1980, p. 8; *Pravda*, 29 November 1979, p. 2.

demonstrates that all three major fuels—oil, natural gas and coal—made considerable progress over the past two decades. The country is already the world's largest oil and coal producer and Soviet natural gas production will surpass that of the United States in the next few years, making the USSR top of that league as well. Nevertheless, gas excepted, the growth of Soviet energy production has slowed considerably in the latter part of the 1970s and this has given rise to speculation in the West that the Soviet Union itself is facing an energy crisis in the 1980s.

Most Western commentaries have been devoted to the Soviet oil situation which was highlighted in two publications by the US Central Intelligence Agency.[2] These reports concluded that because of inadequate reserves, inappropriate production techniques, and poor logistics and technology, Soviet oil production would slump to between 400–500 million tons (mt) by 1985. A separate report on world energy supplies concluded that by the mid-1980s the CMEA countries would be importing 175–225 mt of oil from the world market.[3] Subsequent Western analyses of the Soviet oil situation found the CIA to be too pessimistic in its quantitative projections.[4] Nevertheless, it is undeniable that the growth rate of Soviet oil production has slowed markedly, with an increase in 1979 of just 15 mt, compared with average annual increases of 25–30 mt throughout the rest of the decade. This situation has been acknowledged by the scaling down of the planned production figure for 1980 by 35 mt compared with the original target. In addition, many of the points identified by the CIA are being increasingly voiced in the Soviet technical literature. The most recent and interesting example comes in an article by an eminent Soviet academician which castigates both the ethic of pushing for rapid production increases and the methods of achieving these totals, warning that if this practice continues, '. . . the country's oil production will peak in a comparatively short time and begin to fall'.[5] In general, the drift of Soviet commentaries seems

[2] *Prospects for Soviet Oil Production*, Washington, D.C., April 1977; *Prospects for Soviet Oil Production: A Supplemental Analysis*, Washington, D.C., July 1977.

[3] *The International Energy Situation: Outlook to 1985*, 18 April 1977, p. 13.

[4] For example, *The Soviet Oil Situation: An Evaluation of CIA Analysis of Soviet Oil Production*, Senate Select Committee of Intelligence, Washington, D.C., May 1978.

[5] A. P. Krylov, 'O tempakh razrabotki neftyanikh mestorozhdenii', *EKO* (Novosibirsk), No. 1, 1980, pp. 66–74.

to indicate that oil production cannot continue to increase much beyond the current levels and that the best strategy would be to stabilize production at an output which can be held constant throughout the 1980s.

East European requirements

Aside from domestic production problems, the Soviet planners must also worry about their fuel commitments to other CMEA countries, particularly those of Eastern Europe. With the exception of Romania, no East European country possesses any significant reserves of oil.[6] Bulgaria, Czechoslovakia, Poland, Hungary and the GDR are dependent upon the Soviet Union for more than 80 per cent of their oil consumption and are unable to generate sufficient hard currency or high quality goods to enable them to import significant quantities of oil from OPEC countries—as the Kremlin has repeatedly encouraged them to do. Increased prices for fuels imported from the Soviet Union (although not as high as world prices and paid in soft currency and barter goods) played a significant part in the deterioration of East European terms of trade with the Soviet Union in the late 1970s.[7] Moreover, Poland and Romania, which have been net energy exporters up to the present time, both face a deteriorating energy situation with rising fuel consumption and stabilizing or declining production. This is particularly serious for Romania where independent domestic and foreign policies have been made possible partly by a lack of dependence on the Soviet Union for vital raw materials. Romania is in a better position than other East European countries in that strong links have been developed with OPEC countries, partly based on the expertise of a domestic oil industry with over a century of operating experience.[8] Nevertheless, Ceausescu's goal of energy independence by 1990 is almost certainly not feasible, even with greater development of coal and nuclear power. In addition to supplying its domestic oil requirements and those of Eastern Europe, the Soviet Union is also a contributor to the world market of approximately 65 mt in 1979. By the late 1970s, the hard currency earned from oil exports provided up to one-half of total Soviet earnings and, as such, has been vital for Soviet purchases of high-technology goods and grain. The rapid upward shift in world oil prices has therefore definitely favoured Moscow: although oil exports to the West almost certainly peaked in 1979 and may not exceed 55 mt in the current year, the Soviet planners can expect to earn a considerably increased quantity of hard currency for reduced exports of oil.

The maintenance of its oil production at or above current levels is therefore important for the Soviet Union's domestic energy situation, its economic relations with other CMEA countries and its relations with the West. But oil is not the only fuel that the USSR produces; natural gas production has been increasing very

[6] For background to the East European situation, see Daniel Park, *Oil and Gas in Comecon Countries* (London: Kogan Page, 1979).

[7] Raimund Dietz, 'Price changes in Soviet trade with CMEA and the rest of the world since 1975', *Soviet Economy in a Time of Change*, Joint Economic Committee Print (Washington, D.C.: GPO, 10 October 1979), Vol. 1, pp. 263–90.

[8] B. A. Rahmer, 'Romania: oil at the crossroads', *Petroleum Economist*, September 1979, pp. 360–2.

rapidly and with one-third of the world's proven reserves of the fuel located in Soviet territory, further large increases can be expected.[9]

Alternatives to oil

Natural gas is becoming an increasingly important Soviet energy export to both East and West, with total exports planned to reach over 60 billion cubic metres in 1980. Despite increased production levels, the country only became a net exporter of natural gas in 1974, when imports from Iran and Afghanistan were exceeded by exports to Europe. The Iranian revolution and the war in Afghanistan have put Soviet gas imports, used to supply the southern republics of the USSR, at risk. An early action of the post-Shah regime was to cancel the trilateral (IGAT II) gas project involving Iran, the USSR and three West European countries. The existing IGAT I pipeline, which is delivering only a fraction of the volumes originally contracted, is endangered by the Iranians demanding a fivefold increase in the price of the gas. At the time of writing, the negotiations appear deadlocked, but it is unlikely that the Russians will agree to such a large increase (they have apparently consented to a threefold increase) in price, particularly as the Iranians do not appear to be able to guarantee continuity of supply in the face of constant sabotage to the pipeline.[10]

Gas supplies from Afghanistan have remained small—2·5 billion cubic metres compared with 10 billion cubic metres (contracted) from Iran—and although there is some scope for increasing this volume, the resource base is extremely limited compared with Iran's massive gas export potential. In addition, the Russians themselves founded the gas industry in Afghanistan by diverting equipment and manpower from their own domestic effort. Although political factors will probably dictate that the USSR will further expand Afghan gas production and export potential, it is likely that Soviet resources would be better employed in Siberia where their application to the abundant gas supplies already established would yield a much greater rate of return.

The coal industry is surely the most curious paradox of the Soviet energy sector and one that highlights the difficulties of location and technology that the Russians face in the development of all their fossil fuels. On the one hand, Soviet coal reserves are virtually limitless and by far the largest in the world. On the other, Soviet coal production peaked in 1979 and may well decline further in the current year. More than three-quarters of coal reserves are located in Central Asia and (especially) Siberia, thousands of miles from centres of consumption. Transport of coal is thus rendered extremely expensive and complicated by the poor quality of the vast lignite reserves at Kansk Achinsk, which cannot be transported without prior processing.[11] An alternative to long-distance coal transport is the construction of electric power stations at the coal field with subsequent long-distance trans-

[9] For background and predictions, see Jonathan P. Stern, *Soviet Natural Gas Development to 1990: The Implications for the CMEA and the West* (Lexington: D. C. Heath, 1980).

[10] 'Soviet–Iran gas talks break down', *Financial Times*, 14 March 1980; 'Iran delays resuming gas exports to Russia', *ibid.*, 17 March 1980.

[11] Leslie Dienes and Theodore Shabad, *The Soviet Energy System* (Washington, D.C.: V. H. Winston/John Wiley, 1979), Chapter 4.

mission of electricity by means of the Soviet power grid which stretches into Eastern Europe and beyond. However, this requires technology which is still being developed in the West and is therefore unlikely to be in operation in the USSR in the near future.[12] The coal industry has suffered from a lack of investment in recent years and this fact, combined with deteriorating mine conditions, has led to a setback in production. This could be reversed, however, given the resources of the country, and there is reason to think that the necessary measures will be taken to achieve further production increases.

An important future source of energy for all CMEA countries is nuclear power. The USSR is pressing forward rapidly with a conventional programme using domestically produced pressurized water and pressure tube reactors and uranium imported from Czechoslovakia and the GDR (but enriched in the Soviet Union).[13] Nuclear power is of particular importance to the European regions of the USSR and to Eastern Europe as it is the only source of power which does not have to be transported over great distances to centres of consumption. However, the CMEA practice of siting nuclear power plants close to centres of population has drawn criticism even from within the Soviet Union.[14] Alarm has also been expressed at the lack of safety precautions which have led to accidents both in the USSR and Eastern Europe.[15] Nevertheless, the top leaderships of the CMEA countries stoutly defend this source of energy and, although installed nuclear capacity in the CMEA countries will only amount to around 13,000 megawatts in 1980 (compared with a target of twice that figure), the plan for 1990 is to expand the total fourfold.[16] The USSR is also in the early stages of what promises to be a large-scale breeder reactor programme for the 1990s.

Problems of CMEA Interdependence

A survey of the Soviet energy situation in 1980 leaves a contradictory impression. On the one hand, a country with an export surplus of 150 mt of oil and 50 billion cubic metres of gas can hardly be said to be experiencing an 'energy crisis'. On the other hand, the difficulties of operating in Siberian conditions and particularly the current trends in the oil and coal industries give cause for concern. Perhaps more immediately important is the situation in Eastern Europe, where economic growth in all countries is suffering because of fuel constraints.

There have as yet been no Soviet energy production targets given for the next five-year-plan period 1981–5 but, in order to reassure East European countries, Moscow has stated that Soviet energy deliveries to its allies will rise by 20 per cent in the coming five-year period (compared with the past five years). While some commentators took this to mean that the 370 mt of crude oil and 46 mt of oil pro-

[12] Leslie Dienes, 'The Soviet Union: an energy crunch ahead?', *Problems of Communism*, September/October 1977, pp. 41–60.

[13] Philip R. Pryde, 'Nuclear power', in Dienes and Shabad, *op. cit.*, Chapter 6.

[14] N. Dollezhal' and Yu. Koryakin, 'Yadernaya elektroenergetika: dostizheniya i problemi', *Kommunist*, September 1979, No. 9, pp. 19–28.

[15] Zhores A. Medvedev, *Nuclear Disaster in the Urals* (London: Angus & Robertson, 1979); *Charter 77 Document No. 22*, 27 November 1978, made available by Palach Press, London.

[16] A. Yakushin, 'Sotrudnichestvo stran SEV v toplivno-energeticheskom komplekse', *Voprosy Ekonomiki*, No. 6, 1979, pp. 92–100.

ducts delivered to other CMEA countries during 1976–80 would be increased by one-fifth, it seems far more likely that only marginal increases of oil will occur, the bulk of the increment being accounted for by natural gas and electricity.[17]

Although the Soviet Union is not about to abandon East European countries to their fate with regard to energy, the signs are that the latter will need to import a large part of incremental oil requirements from non-Soviet sources—a task which, at current prices, it will be extremely difficult for them to accomplish. One possibility for Eastern Europe lies in persuading OPEC countries to supply them with oil on concessionary (i.e. non-hard currency) terms, and in the mid-1970s it appeared that this had been successful with the decision to build the Adria pipeline from the coast of Yugoslavia to Hungary and Czechoslovakia.[18] The pipeline is now built and Yugoslavia has arranged for supplies of Iraqi crude, but there has been no indication where Hungary and Czechoslovakia are expecting their oil (5 mt per annum each) to come from. It seems likely that when the original agreement was signed in 1975, lower world oil prices and the friendly attitude of the Shah's government towards Eastern Europe gave the impression that oil would be available on manageable terms. Even now, it is surely inconceivable that a significant portion of the pipeline will be allowed to remain unused, but the issues surrounding the Adria pipeline starkly illustrate the problems of East European countries seeking oil on world markets—problems which can only grow in the 1980s.

In view of these difficulties, it is often assumed that the Soviet Union will step in and purchase oil on world markets for its CMEA allies. This is by no means certain, particularly as the Soviet Union itself is experiencing some severe economic problems and is likely to feel the need to improve the living standards of its own citizens before bolstering those of its more affluent neighbours. Nevertheless, Moscow will be forced to take equivalent action by diverting more of the surplus now exported for hard currency to CMEA countries. The opportunity cost of this action will be very considerable, since the hard currency gained by oil sales to the West cannot fully be recouped even by charging higher prices to Eastern Europe. Such action does, however, have the advantage of tightening the Soviet economic grip over the East European countries and putting them in a position where they cannot refuse to invest in energy projects on Soviet soil and/or to divert more of their best manufactured goods to the USSR (at the expense of their trade with the West).

Soviet predicament

For the Soviet energy planners, the 1980s will be a decade of juggling the three major fuels between the three major end-users: the domestic economy, other East European countries and world energy markets. The question of oil production looms very large in all these equations. The fact that production has continued to increase (at least through February 1980) only suggests to pessimists that the

[17] L. Bauman and B. Grebennikov, '30 years of CMEA: solidarity, co-operation and integration', *International Affairs* (Moscow), No. 9, September 1979, pp. 71–80. See also the statement by Boris Rachkov, 'How the Soviet Union views future oil production, exports', *Oil and Gas Journal*, 3 December 1979, p. 54.

[18] Russell, *op. cit.*, pp. 228–9.

decline, when it comes, will be that much more severe. But despite reiteration of this scenario by the CIA,[19] there is still no reason to suppose that oil production will sink as low as 400–500 mt in 1985. Even more important, it is vital to appreciate that, in the event of falling oil production, large-scale imports from the world market would be needed for Eastern Europe rather than for the USSR, and that an annual import of 175–225 mt could not possibly be afforded, even by the USSR, as this would require an expenditure of some $40–50 billion even at today's prices.

However, it does seem very likely that Soviet oil production will level off in the near future and the usage of oil throughout the CMEA will require stringent management if imports from the world market are to be kept to a minimum. Reduced rates of economic growth expected in all CMEA countries over the next few years will aid this situation, as will the draconian energy-saving measures now being implemented, particularly in Eastern Europe. But the critical factor is the extent to which other fuels can be substituted for oil in the economies of the CMEA countries. On the Soviet domestic scene, the stagnation or decline in coal production is most important in that it precludes large-scale substitution of that fuel for oil and gas, which would be the most economically efficient utilization of fuels, particularly in electric power stations where phasing out the use of oil has become an important priority.[20] Thus the entire burden of shortfalls in the Soviet (and to some extent the overall CMEA) energy balance must be borne by natural gas, which has been designated the only real substitute for oil in the short term.[21] By 1985, therefore, one might expect natural gas to have made up much of the incremental Soviet energy supplies to Eastern Europe and to constitute the only major energy export to the West.

Those concerned with world oil supplies should reckon that by the mid-1980s the CMEA countries are likely to be exerting a strain of 100 mt on the world market compared with the present time—50 mt that the USSR will not be exporting and an equivalent quantity that Eastern Europe will be trying to import. In fact, the situation will probably be more complicated than this (especially if East European countries are successful in arranging small volumes of oil imports on concessionary terms), since the Soviet Union will be most anxious to retain at least a portion of its oil export surplus to the West and may be prepared to squeeze the Soviet domestic economy and other CMEA countries in order to achieve this. If Soviet oil production can remain above 600 mt up to 1985, the overall CMEA energy balance should continue to be manageable.

The latter part of the decade looks rather more difficult, particularly if oil production begins to decline, since it is hard to see either gas or coal developing fast enough to make up the deficit. It is at this time that the question of imported oil supplies may begin to loom large and attention may be increasingly centred on oil producing countries. In this connexion, there may be hopes that Mexico's observer status at CMEA economic meetings will bear some fruit. But real pressure from

[19] See *The World Oil Market in the Years Ahead*, Washington, D.C., August 1979, pp. 37–42.
[20] See Leonid Brezhnev's speech to the Central Committee Plenum, *Pravda*, 28 November 1979, p. 2.
[21] S. Yatrov, 'Toplivno-energeticheskii kompleks', *Ekonomicheskaya Gazeta*, No. 10, March 1980, p. 10.

East European countries, backed by Moscow, may begin to mount on Middle East producers who will find it difficult to resist such advances, particularly if they carry with them veiled threats of political destabilization by regional forces backed by the Soviet Union or Soviet surrogates. While such attempts may or may not be successful in terms of oil acquisition, the instability generated will further complicate matters for Western countries which will be attempting to cope with an oil supply situation in which demand far outstrips supply.

Those who see actual Soviet forces advancing to the Persian Gulf, *à la* Afghanistan, need to consider whether the Soviet Union would take the enormous risk of challenging the military might of the United States in order to provide oil for Eastern Europe. For the real Soviet energy problem lies in Eastern Europe where fuels have become a cornerstone of CMEA economic co-operation and may be the yardstick by which the Soviet Union's commitment to its allies will ultimately be judged. The crucial time will come if Soviet energy production proves insufficient to support the basic minimum requirements of East European countries, resulting in unacceptably low rates of economic growth and consequent political instability.

Finally, even under the most pessimistic evaluations (and including Soviet imports of oil for Eastern Europe), Soviet energy independence should be guaranteed through the 1980s. This is a factor that a West massively dependent on imported energy should consider carefully, for it may give Moscow some decisive strategic advantages in what is going to be a very testing time for its ideological opponents.

The UN debate on international security

PHILIP TOWLE

WHICH is the greater threat to world peace, the arms race between the superpowers or the rivalries and conflicts between the developing countries? Although it is rarely expressed in so stark a form, the question lies at the heart of the debates on security carried on at the United Nations between the Third World, the Soviet bloc and the West.

Western and Third World perspectives

The conventional wisdom in the West is that the defence policies followed since 1945 have justified themselves because they have been responsible for giving the developed world over three decades of peace. The great powers have also made continual—if not very successful—efforts through arms control and other negotiations to improve their relationships and so to reduce their military allocations by mutual agreement. On the other hand, at the UN and in other organizations

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dominated by the non-aligned countries, Nato and the Warsaw Pact are accused of carrying on an arms race which 'both reflects and aggravates international tensions, sharpens conflicts in various regions of the world, hinders the process of détente, exacerbates the differences between opposing military alliances, jeopardizes the security of all states . . . and increases the threat of nuclear war.'[1]

The non-aligned countries have been much more critical of Western than of Soviet defence policies. They have attacked almost every aspect of Western strategy from nuclear deterrence to the establishment of pro-Western alliances around the world and the construction of military bases in the countries bordering the Soviet Union. The United States and Britain have been much more forthright than the Soviet Union about basing their defence policy on nuclear deterrence. Yet, the non-aligned argue that such doctrines threaten to involve them in a nuclear war over which they have no control and fought for interests and ideas in which they do not believe. Third World writers are often scathing about the theory of deterrence and about its practitioners. One of the best-known Indian writers on strategy has asserted, 'I have no faith in the big powers acting rationally, unemotionally and without hysteria. I have more faith in the rationality of Arab terrorists than in the Ivy-League educated, Rand-trained, bright analysts in Washington and elsewhere.'[2]

Whatever the value of such views, in recent years, as Klaus Knorr has pointed out, 'military conflicts have occurred mostly in the Third World, mainly between Third World countries, and this shift [in the location of conflicts] is paralleled by the fact that the proportion of world military spending, manpower and weapons imports outside the developed capitalist nations has sharply increased.'[3] It seems to most Western governments and commentators that the roots of violence in the Third World lie mainly in the developing countries themselves. Western intervention in Third World affairs has been reactive and all the Western states have shown a growing reluctance to use force. The United States and the Soviet Union have evolved ways of responding to events in the Third World which they hope will not bring them into direct conflict with one another. Until the Soviet invasion of Afghanistan, if they have interfered outside Europe and North America in recent years, they have done so mainly through the supply of armaments, advisers and auxiliaries of the Cuban type. It is only when these methods fail that the superpowers consider intervening with their own forces, as the United States did in Vietnam and the Russians are now doing in Kabul.

From the Third World the perspective once again looks very different. If defence spending amongst the developing countries has risen, Nato and the Warsaw Pact still account for the bulk of world military expenditure. If the two main military alliances have avoided war so far, this could change at any time: 'Mankind

[1] Paragraph 11 of the Final Document of the UN Special Session on Disarmament, held in May–June 1978. The Document is reproduced in *United Nations No. 1 (1978)*, Cmnd. 7267 (London: HMSO, 1978).

[2] K. Subrahmanyam, 'The Indian nuclear test in a global perspective', in K. P. Misra (ed.), *Foreign Policy of India* (New Delhi: Thomson Press, 1977), p. 199.

[3] Klaus Knorr, 'On the international uses of military force in the contemporary world', *Orbis*, Spring 1977, p. 15.

today is confronted with an unprecedented threat of self-extinction on account of the massive and competitive accumulation of the most destructive weapons man has ever produced. . . This situation . . . brings ever nearer the threat of nuclear confrontation for which nuclear-weapons states are in an ever-increasing stage of readiness.'[4]

In contrast to what they see as the irresponsibility of the nuclear arms race, Third World commentators often paint a rosier picture of relations between the non-aligned nations than the one generally accepted in the West. The non-aligned are said to 'have rejected the fundamental assumption of conventional international theory which defines national interest in terms of national power. . . They have made their debut in Twentieth-Century international relations by challenging the paradigm of power and defining their national interest . . . in terms of communication and co-operation.'[5] Some commentators in the Third World have admitted the prevalence of conflict there but have blamed the developed states for this phenomenon. As one Indian writer has argued, the great powers 'found it irresistible to fan, feed and reinforce the regional roots of the South Asian conflict. The Great-Power involvement was so deep and so pervasive that one is led to believe that the Great Powers in pursuance of their global and regional objectives would have invented a conflict in South Asia if none had existed.'[6] The West may receive a slightly smaller share of the blame for Third World conflicts after Cuban intervention in Africa, the Soviet invasion of Afghanistan and the wars between Vietnam and China and the other South-East Asian states. But a generation of Third World commentators and diplomats grew up in the 1950s and 1960s ascribing most of their ills to the West.

Arms transfers and military alliances: conflicting views

If the Western public and Western leaders have from time to time felt responsible for violence and bloodshed in the Third World, they have attributed this responsibility mainly to the arms which they have transferred to the developing countries. There is a widespread belief that such transfers both increase the number of conflicts and the number of casualties which they produce. In fact it is doubtful whether casualties are increased by the provision of modern weapons. As weapons have improved, conventional warfare has increasingly become a conflict between machines and the number of men in the battleline has been reduced. Recent limited wars in South Asia and the Middle East have been short-lived largely because the combatants have rapidly run out of spares and equipment. The bloodiest contemporary wars have often been guerrilla campaigns fought with very simple equipment. The location of wars is also important—prolonged fighting in a densely populated area, such as Beirut, may cause high casualties whatever the weapons used.

[4] UN Special Session on Disarmament, Non-Aligned Working Document, 24 January 1978, A/AC.187/55/Add. 1, paragraph 1.

[5] Jayantanuja Bandyopadhyaya, 'The non-aligned movement and international relations', *India Quarterly*, April–June 1977, p. 160.

[6] S. D. Muni, 'South Asia', in M. Ayoob (ed.), *Conflict and Conflict Managers: Great Powers and the Third World* (London: Croom Helm, forthcoming).

Because of the guilty feeling which 'the merchants of death' evoke in the West, there has been a long history of attempts to restrict the arms trade. In the 1950s Britain, France and the United States tried to limit arms sales to the Middle East and the United States attempted to restrict sales to Latin America. In both cases these policies evoked great resentment in the areas concerned and both ultimately failed. In recent years Western efforts to have the arms trade discussed in the UN have provoked equally vociferous protests from the Third World. Commentators from the developing countries argue that conventional arms control 'is an attempt to reverse the legal as well as strategic disarmament priorities' and that it discriminates against the smaller and less-developed countries as well as against 'liberation movements'.[7]

The developing countries argue at the UN that violence in the Third World is not generally due to arms transfers but to the direct involvement of the great powers. They have pressed for the establishment of an Indian Ocean Zone of Peace which would severely restrict the presence of 'foreign' navies in the area. They have also called for the 'dissolution of military blocs, Great-Power alliances and pacts arising therefrom, the dismantling of foreign military bases and the withdrawal of military forces from foreign territories'.[8] The difference in approach is instructive. The developing countries themselves ultimately have custody over the weapons which they import from the developed world—although the developed countries may cut off supplies of spares. If the developing countries are responsible for conflicts in the Third World, then the logic of attempts to limit arms transfers can be understood, though not necessarily accepted. The developing countries still generally have less weapons than the developed ones; thus it is difficult for the developed states to argue that it is the sheer quantity of weapons available to the Third World which is the cause of wars between the developing countries. It must therefore be the possession of sophisticated weapons by 'backward' countries and it is precisely this implication which is resented by the Third World.

To a great extent Western and non-aligned remedies for violence in the Third World are incompatible. Limitations on arms transfers would probably lead to more direct involvement by the great powers in Third World affairs, while restrictions on such direct involvement would probably lead to more arms transfers. The supply of arms is an important substitute for direct great-power involvement. If the United States had not been able to supply Israel with advanced equipment, including tanks, helicopters, Phantom fighter-bombers and weapons for the suppression of air defences, during the 1973 war between Israel and the Arab countries, it would undoubtedly have had to choose between allowing the Israelis to be overrun or becoming directly involved itself. Thus in advocating limitations on the transfer of conventional weapons, President Carter and other well-meaning Western statesmen are threatening one of the most important instruments of crisis management. In fact it is doubtful whether either limitations on arms transfers or the ending of alliances and the abolition of foreign military bases would reduce

[7] M. A. Husain, 'Third World and disarmament: shadow and substance', *Third World Quarterly*, January 1980, pp. 85 and 96.
[8] Non-Aligned Working Document, Cmnd. 7267, p. 51.

violence in the Third World. It is difficult to believe that wars would have been avoided in the Middle East or South and South-East Asia if arms transfers to these regions had been limited. A particular transfer might spark off a war while one side believed that it had an advantage, but the underlying causes of conflict lie much deeper. According to one analyst of Middle East affairs, 'five major wars have been waged between Israel and one or more Arab countries . . . a close examination reveals that only in 1956 were the dynamics of the arms race among the primary causes of war.'[9] Nor were great-power alliances or military bases the root cause of these conflicts.

Non-aligned spokesmen have often argued that alliances dominated by a great power cause regional arms races and tension in the Third World. Such claims originated with Indian criticisms of Pakistani membership of SEATO and CENTO and with the Western armaments which came to Pakistan as a result. The non-aligned generalize from this case to argue that all such alliances are dangerous or destabilizing. Whether or not this was so in the Pakistani case, the reverse has more often been true. If Nato had not existed, the West European nations would have spent far more on defence. Similarly, Japan, Taiwan and Australia have restrained their defence spending because of their ties with the United States. If alliances were abolished, many of America's allies would also develop nuclear weapons as soon as they were technically capable of doing so. The alliance system has proved to be one of the most effective arms control measures since the Second World War.

Non-proliferation and other contentious issues

It is clear that there are few security policies on which the Third World and the West can agree. In the view of the non-aligned countries, Western defence policies threaten to cause the outbreak of a nuclear war, whilst Western interference in the Third World has been responsible for much of the violence there. In the Western view, on the other hand, deterrence has prevented the outbreak of an East–West war since 1945. Moreover, if there is widespread violence in the Third World, this is due to the rivalries between the new states and the interference of the Russians. Not surprisingly, therefore, the developed countries have supported nuclear non-proliferation policies and restrictions on arms transfers to the Third World. The developing countries see such policies as paternalistic or imperialistic. They also argue that the existing nuclear-weapon states have not shown any great sense of responsibility: 'What is the record of the five nuclear weapon powers? Two of them till recently were imperialist powers, two of them are self-appointed messianic powers and one is currently engaged in telling the world that if the oil flow is stopped it will resort to the use of force.'[10]

Is there any prospect of a confluence of Western and Third World thinking on security? The difficulties encountered by President Carter in his efforts to *impose*

[9] Yair Evron, *The Role of Arms Control in the Middle East*, Adelphi Paper no. 138 (London: IISS, 1977), p. 13.

[10] K. Subrahmanyam, 'Indian nuclear policy', in Onkar Marwah and Ann Schulz (eds.), *Nuclear Proliferation and the Near Nuclear Countries* (Cambridge, Mass.: Ballinger Publishing House, 1975), p. 132.

limitations on arms transfers to the developing countries may dissuade United States leaders from further efforts in this direction for the time being. This would not stop Western leaders from encouraging regional groups of developing countries which propose to take the initiative to limit their own arms imports, as the Andean countries have in the 1974 Declaration of Ayacucho. Nor would it stop the developed states from pointing out the economic disadvantages of large-scale arms imports for those Third World countries which are not richly endowed with oil deposits. The demise of CENTO and SEATO has also removed one source of friction between the non-aligned and the West and even the most pro-Soviet of Third World leaders may begin to be disillusioned by Soviet policy in Afghanistan.

Over other questions the prospects of agreement between the Third World and the West seem less bright. Third World protests against the Nuclear Non-Proliferation Treaty are likely to rise to a crescendo at the review conference which is scheduled for August 1980. The Treaty lays down that the parties should work for nuclear disarmament. But it has been caught between the demands of the developing countries that the United States and the Soviet Union should make more progress in their negotiations on limiting stratetic arms and ending nuclear-weapon tests, and the steady deterioration in East–West relations which has culminated in the Soviet invasion of Afghanistan.

Friction between the non-aligned and the West over the Non-Proliferation Treaty and other issues will hardly encourage a balanced debate at the UN on security questions. A calmer debate would lead to the common-sense conclusion that, while the developing countries are themselves mainly responsible for inter-state violence in the Third World, the great powers have sometimes exacerbated the situation. There are no simple remedies for this violence, and those remedies proposed in the UN by the West and the Third World would be equally unsuccessful. Finally, the greatest threat to world peace lies in the inter-action between regional conflicts amongst the developing countries and the tensions between the great powers. Thus, all countries share the responsibility for reducing tensions and violence, just as all would be affected by the ensuing havoc should regional violence spread into a world war.

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Note of the month

GIBRALTAR ON THE ALERT

WHEN it was announced in Lisbon[1] on 10 April that the eleven-year-old land blockade of Gibraltar by Spain was to be lifted almost at once, the 19,000 Gibraltarians were left 'stunned', as one of their papers put it. 'Just remember this', a local columnist wrote to cheer everybody up a few days after the Anglo-Spanish statement was issued. 'We have won. They have lost. We owe them nothing. We are we, they are they. Nobody owns nobody else.'[2] But the Gibraltarians were not so sure. Their instinct was to scan the small print, to find out where the catches were. Since the statement had been most meticulously drafted to preserve honour all round, they were able to light on a couple of phrases to which they could take exception—one referring to 'the relevant UN resolutions', the other whereby Britain and Spain agreed to 'start negotiations aimed at overcoming all the differences between them on Gibraltar'. Since the main difference is Spain's view that Gibraltar is Spanish whereas Britain holds that it is British until the Gibraltarians decide otherwise, the Gibraltarians have no objection to the two governments 'discussing' this interesting diversity of view until the Greek calends, but they object to 'negotiating' about it since this implies to their minds the possibility of an agreed conclusion, which is felt to be full of peril. They also take exception to UN resolutions, as those passed before the blockade placed the rapid 'decolonization' of Gibraltar in a setting of mutual agreement between Britain and Spain on a basis that seemed to be tilted towards the Spanish version of history.

Within three days, a peaceful protest demonstration of some 1,500 people, which is fairly large for Gibraltar, was marching on the Convent, the seat of government on the Rock. They were led by Mr Joe Bassano, a prominent trade unionist and Socialist politician, who handed in a petition demanding that any 'decolonization' that might take place should be a matter solely between Gibraltar and Britain. Since it was noted that some of those in the throng did not look like 'a usual Bassano crowd' but included shopkeepers and other members of the middle class, Gibraltar's tiny establishment drew the conclusion that the amount of public criticism for what was on the face of it a splendid triumph had been underestimated. The temper of the public would need to be watched.

The two senior politicians of the Rock, Sir Joshua Hassan, the Chief Minister, and Mr Peter Isola, the Leader of the Opposition, had been taken into the confidence of the Governor, General Sir William Jackson, about the talks leading up to the joint statement ever since they began last September, but on terms of strictest secrecy. This was just as well, as between the first exchange in New York and the final endorsement of the joint ministerial statement in Lisbon in April there were many vicissitudes. There was clearly no unanimity of view in the

[1] Joint Anglo-Spanish statement issued in Lisbon on the occasion of the conference of Foreign Ministers of the Council of Europe.
[2] *Panorama*, 21 April 1980.

Spanish Government or indeed in their Ministry for Foreign Affairs. The old arguments of the 1950s and 1960s peeped out, including the Spanish Morton's fork by which, if the Treaty of Utrecht of 1713 (the basis of Britain's title to sovereignty) remained valid, Gibraltar must still be a colony, and if Gibraltar were decolonized, British sovereignty would vanish.

But this year the matter was looked at afresh by both sides. The essential Spanish concession was to agree to 'suspend' forthwith the measures hindering direct communication, provided this was to be 'on the basis of reciprocity and full equality of rights'. This was important to the Spaniards since it had been their contention that Gibraltar's former practice of closing the 'fence' (which separates British jurisdiction from Spanish) every night, like 'raising the drawbridge of a fortress' and obliging Spaniards from neighbouring towns to leave, had the effect of discriminating against them. Spain has now been promised that the frontier crossing will be kept open 24 hours a day in future and that the troops will be replaced at it by police. The British are anxious to get the border open as soon as possible but the only dateline mentioned in the Lisbon joint statement is 1 June, by which time necessary practical steps are supposed to have been prepared. Certainly the customs house on the British side of the frontier looks nearly ready, and some officials show obvious signs of optimism, but there is no great evidence of comparable activity on the Spanish side. Talks have begun at the official level at which the Gibraltar Government has been represented as well as Britain and Spain. They have produced goodwill but also doubts as to whether the Spanish administrative machine will move as quickly as had been envisaged.

As for talks on the political level to which Britain has been committed, a good deal depends on whether Spain wants to concentrate in the first place on the practical measures of mutual co-operation which are mentioned in the statement or to plunge straightaway into the heavy issues raised by the Treaty of Utrecht and all events thereafter. The British clearly hope that the concern of the Spanish Prime Minister, Mr Adolfo Suárez, to clear obstacles out of the way of Spanish admittance into the EEC which has been credited with the progress made so far, will ensure a priority for practical measures. Certainly there is plenty of room for joint development of the Rock and the Campo de Gibraltar, the underdeveloped region which is its immediate neighbour. After severing the link with Gibraltar, Spain resolved to jack up the low living standards in the Campo by a major effort at public investment. The result has been patchy. From Gibraltar the sight of the factory smoke in Algeciras is a sign that petro-chemicals have come there to stay but, according to a recent paper by Professor Salustiano del Campo[3] who is from that area, 'there was quite a gap between project and fulfilment'.

One development of which many people are hopeful is the extension and improvement of the airfield to international standards and use by both countries, with hangars and airport facilities on the Spanish side of the frontier as well as on the British. But the difficulty is that the airfield runs across the isthmus linking the

[3] *The decolonization of Gibraltar—from a new angle*, presented at a seminar on Gibraltar held in Segovia on 6–8 December 1979 under the auspices of the Instituto de Cuestiones Internacionales (Madrid).

Rock to the mainland—and, in the contention of Spain, no part of the isthmus has ever belonged to Britain in the first place, so that this would require some formula preserving all claims while getting on with uses.

From the moment of the Lisbon announcement, commercial interests—and not only in the tourist field—began to make a wide range of enquiries. 'With Indecent Haste They Come for a Piece of Cake' ran the headline of a not exactly welcoming issue of the weekly *Vox*. But some constructive ideas are beginning to emerge. Tourist facilities will have to be quite substantially expanded and upgraded. The estimate for building one new hotel was sharply dropped overnight by £2 million in anticipation that Spanish materials and skills would be available. The jobs of the 2,700 Moroccans now working on the Rock are safeguarded so long as they want to keep them, but there is no guarantee that food and labour will subsequently be imported from North Africa. Fresh Spanish skills will be in demand to diversify an economy which, while it certainly has not crumbled as the Spaniards had expected, has become more dependent on British Government work than ever.

Politically, the Gibraltar Government which carries responsibility for 'defined domestic matters' had freshly renewed itself by elections in February before facing the new situation. 9,832 people (or 68 per cent of the electorate) chose 15 members of the House of Assembly. They voted in a single constituency, each person having eight votes. Since no party nominated more than eight candidates this just allowed for an absolute majority of one which was obtained by Sir Joshua Hassan's Association for the Advancement of Civil Rights (though the party's support fell from 49 per cent to 39 per cent since the 1976 election). This enabled Sir Joshua to take office again with no fewer than seven ministerial colleagues, leaving no government backbenchers. Mr Peter Isola's Democratic Party for British Gibraltar, which has only mini-issues to debate with Sir Joshua on home policy and none on foreign affairs, won six. But Mr Joe Bassano of the Gibraltar Socialist Labour Party, who combines success as a trade union leader—three years ago most Gibraltarians got parity of wage rates with the United Kingdom after eighteen months of agitation by the Transport and General Workers' Union—with a special degree of intransigence on the issue of sovereignty, came second in the whole race and only 64 votes behind Sir Joshua Hassan. None of his party colleagues were elected with him so that his was basically a personal triumph. At the same time, Mr J. E. Triay, a leading lawyer who has favoured a form of autonomy that might be acceptable to Spain, was (with his party colleagues) decisively rejected, receiving in total no more than 3 per cent of the vote. Much discouraged, he suspended his weekly newspaper, the *Calpe News*.

British policy has, since the return of democracy to Spain, been one of trying to prevent Gibraltar acting as an irritant in the otherwise rapid advance of Anglo-Spanish relations. But the British pledge to respect the Gibraltarians' wishes in the matter of sovereignty has quite plainly been renewed in the Lisbon statement. If the Spaniards are to persuade the Gibraltarians to change their present wishes, they are at the beginning of a very long process.

KEITH KYLE[4]

[4] The author recently visited Gibraltar and Madrid on behalf of Chatham House.

Yugoslavia without Tito

F. B. SINGLETON

DURING the last decade, speculation about the future of Yugoslavia after the death of President Tito inevitably gathered momentum as the years passed. It centred on two main issues: would the centrifugal forces within Yugoslavia produce a spontaneous disintegration, or would outside forces—mainly the Soviet Union—intervene to destroy the edifice which was erected under Tito's guidance during the last thirty-five years? Tito often spoke of the League of Communists as 'the connective tissue which binds Socialist Yugoslavia together', but many outside observers saw Tito himself as fulfilling this role. Now he is dead, and the years to come will show whether or not he has left a durable legacy to his successors. The present writer is optimistic: he believes that Yugoslavia will survive, not only because it is in the best interests of the Yugoslav peoples that it should, but also because the major powers recognize that it is in their interests, too.

The succession

Preparations for the succession have been officially under way since 1970, when Tito himself first publicly raised the question. The chief offices which he held were President of the Republic, President of the League of Communists, and Commander-in-Chief of the Armed Forces. In 1971, a series of amendments to the Constitution established a new body, the Presidency of the Federal Republic. The collective Presidency initially comprised 23 members—three from each of the six constituent republics, and two each from the autonomous provinces (Vojvodina and Kosovo), with the President of the Republic (Tito) as an ex-officio member. The League of Communists had followed a similar pattern when it established a 23-man collective Presidium in 1969. Both institutions have undergone some modification during the last ten years. Under the 1974 Constitution,[1] the Federal Presidency was slimmed down to eight members plus Tito, giving only one representative to each republic and autonomous province.

The Presidency elects its own Vice-President to serve for one year. When Tito died on 4 May, the Vice-President became the President for the rest of his term of office. (The office rotates, so that each republic and province has its turn.) Until May 1980 the post was held by Lazar Kolisevski, a 66-year-old former metal worker from Macedonia. In mid-May, after only two weeks in office, he gave way to Cvijetin Mijatovic (67 years), a Bosnian Croat, who joined the illegal Yugoslav Communist Party in 1933 whilst a student in Belgrade. Mijatovic, a veteran professional politician, was a Political Commissar to the partisans in Bosnia, and from

[1] See Adam Roberts, 'Yugoslavia: the Constitution and the succession', *The World Today*, April 1978.

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1961 to 1965 served as Ambassador in Moscow. The members of the Presidency serve for five years. The present incumbents retire in May 1983.

The Presidium of the League of Communists (LCY) retained its larger membership but added an ex-officio representative from the army. The present army spokesman is the Minister of Defence since 1967, General Nikola Ljubicic (Serb) who became Commander-in-Chief on Tito's death. The present Chairman (until October 1980) is Stevan Doronjski (61), a Serb from Vojvodina.

Four men hold office in both the LCY Presidium and the Federal Presidency: Petar Stambolic (67), representing Serbia; Vladimir Bakaric (67) from Croatia; Fadil Hoxha (70), an Albanian from Kosovo; and the above-mentioned Stevan Doronjski. The Prime Minister, Veselin Djuranovic (55), from Montenegro, is also a member of the LCY Presidium. According to the Constitution, it should not be possible to hold high office simultaneously in both state and LCY posts, and it is intended that, when these four retire, dual membership shall cease.

There are a number of other key posts which should be noted: the Secretary of the Federal Presidency is General Ivan Dolnicar (58), an air force general from Slovenia; the Secretary of the LCY Presidium is Dr Dusan Dragosavac (60), a Serb from Croatia; the President of the Federal Council for the Protection of Constitutional Order is Dr Bakaric, the most prominent Croat political figure. His deputy, General Franjo Herljevic, is also a Croat. Their positions give them control over internal security.

A generation of Yugoslavs has grown up under the shadow of Tito. His personality and experience played an important part in containing the centrifugal forces which are always present in this multi-national federation. The members of the collective leadership are representatives of their own republics or provinces. Tito, of mixed Slovene-Croatian parentage, was always a national figure, symbolizing '*bratstvo-jedinstvo*' (the brotherhood and unity of the Yugoslav peoples).

From time to time during the last thirty years, prospective 'Crown Princes' have been identified as possible successors: Kidric (Slovene) died in 1953; Djilas (Montenegrin) was removed from office in 1954; Rankovic (Serb) was expelled from the League and stripped of his posts in 1966; Kardelj (Slovene) died in 1979; and, most recently, Dolanc (Slovene) resigned as Secretary of the LCY Presidium in 1979, but is still a member.

Whatever the truth of rumours that at various times Tito may have thought of handing over to one man, it seems likely that for the last decade the idea of replacing him by a collective leadership became accepted as the only solution—at least, in the short run. There is no one of Tito's all-Yugoslav standing, and attempts to build up an individual to acquire such a position would be divisive and futile.

There are good reasons to believe that the collective leadership—which has been functioning successfully at the day-to-day level of administration during Tito's last years, and with full power in all but name since January 1980—will be accepted by the Yugoslav people. In the immediate future the natural tendency of Yugoslavs to unite in the face of danger—and the Soviet intervention in Afghanistan has heightened the sense of an external threat—will ensure a smooth transfer of power.

Dangers ahead

There are, however, problems which will re-emerge during the next few years, and which could raise issues affecting not only the stability of Yugoslavia, but also the peace of Europe. They include the possibilities of external interference, and of internal dissensions leading to a disintegration of Yugoslavia. This article briefly examines six topics in the light of Yugoslavia's experience in the recent past, and gives a personal assessment of their relevance to the future course of events.

(i) *Direct Soviet intervention.* This is unlikely for the following reasons:

(*a*) Yugoslavia's geographical position: The fact of having no common frontier with the Soviet Union, but a long Adriatic coast and common frontiers with Nato members, means that a Soviet invasion would inevitably involve other countries and risk a major war.

(*b*) Military factors: The Yugoslavs are militarily well-prepared to meet an invasion—they have a standing army of 260,000, and an all-people's defence organization which mobilizes most of the adult population. Soviet military leaders, in the light of their Afghan experience, would not relish an open-ended guerrilla war, even if their political leaders were mad enough to risk a Soviet 'Vietnam' in the Balkans.

(*c*) Political factors: There is no sign of any significant pro-Soviet faction within Yugoslavia which would lend political credibility to a Soviet invasion in order, in Brezhnev's words, to 'protect the interests of socialism against its enemies'.

(ii) *Soviet-inspired subversion.* There are tensions which could be exploited, although in most cases the protagonists in Yugoslavia and amongst the political emigrés in the West do not look eastwards for their deliverance.

(*a*) Croat nationalists: Although one emigré Croat in 1971 boasted of Soviet support, the majority are politically right-wing and would be unlikely to see any advantage in a Soviet-dominated 'Free Croatia'.

(*b*) Bulgarian claims on Macedonia[8]: Even since Tito's illness, despite Brezhnev's protestations of Soviet benevolence towards Yugoslav independence, pro-Soviet papers in Portugal and Vietnam—with obvious Soviet approval—have raised the issue of Bulgarian claims on Macedonia. There is little evidence of pro-Bulgarian sentiments amongst the Macedonians in Yugoslavia, where 30 years of encouragement by the present regime have produced a renaissance of Macedonian national culture and considerable economic progress.

(*c*) The grievances of the Albanian-speaking peoples of Kosovo and Western Macedonia: One and a half million Albanian speakers live on the Yugoslav side of the borders of the state of Albania. They are mainly of Moslem religious tradition. They are also amongst the poorest in Yugoslavia, and have a birth rate of 32 per 1,000, almost double the national average. The income per capita of the Albanian areas is approximately one-seventh of that of the richest republic, Slovenia, and one-third that of Yugoslavia as a whole. An attempt to encourage Albanian separatism or to exploit both the nationalism and the economic grievances of this area could be explosive.

[8] See Patrick Moore, 'Macedonia: perennial Balkan apple of discord', *ibid.*, October 1979.

) The Moslems of Bosnia[3]: Since 1971, Yugoslav census returns have included tegory of 'ethnic Moslems'. They are the Slav-speaking descendants of a here- Christian sect in Bosnia who converted to Islam when the Turks occupied nia in the fifteenth century. The Yugoslav authorities are anxious to dis- age the spread of Islamic 'nationalism'. In one of his last public utterances in ember 1979, Tito warned the Mufti of Belgrade not to incite the Moslems. The et Union, however, with its own large Moslem population, would have to be careful not to burn its own fingers if it started playing with this particular fire. lthough there are a number of issues which could be exploited, in present cir- stances there is little likelihood that Soviet intrigues in these areas would be essful. They may try to keep the pot simmering, however, in the hope that ous economic problems—especially the disparities in income between the er and poorer republics—may provide opportunities in the future.

i) *Internal dissensions.* There is no doubt that tensions exist below the surface. oslavia is a comparatively recent creation, and memories of the bitter conflicts een the nationalities, with their different cultural and religious traditions and recent historical experiences, cannot be eradicated in a generation, although survive more intensely amongst the emigrés than within Yugoslavia.
oday, the manifestations of these conflicts usually take the form of economic ries between the richer northern and the poorer southern republics.[4] In 1971, led to angry demonstrations in Zagreb, the Croatian capital, in which the an 'End the plunder of Croatia' expressed the resentment of Croats. Tito, with backing of the League of Communists and the army, reacted with firmness, ing the Croatian leadership of suspected nationalists.
uring the next few years, the LCY became a more effective co-ordinating body, ning to the Leninist policy of 'democratic centralism'. In 1974, a new Consti- n increased the influence of the army and the LCY in political decision- ing, although the economy remained decentralized.

) *Emigré nationalist groups.* Many Yugoslavs who fought with the Serbian *ks* and the Croatian *ustase* against the Partisans fled abroad at the end of the Many have maintained their hostility to Tito's Yugoslavia, and some have mitted acts of terrorism against Yugoslav diplomats abroad and have organ- sabotage in Yugoslavia. In 1972, a dozen young emigré Croats crossed from ria and infiltrated into Bosnia, where they fought a pitched battle with the militia.
ne emigré groups, especially the Croats, will probably hope that the death of will give them an opportunity to increase their influence, and they will step up terrorist activities. However, the emigré groups seem to have little support e Yugoslavia. They are bitterly divided amongst themselves, and are unlikely ive more than nuisance value.

ossibilities of economic collapse. The Yugoslav economy has developed lly since the war, helped after 1948 by Western aid. It is now dependent upon

ee K. F. Cviic, 'Yugoslavia's Moslem problem', *ibid.*, March 1980.
. Singleton, 'The roots of discord in Yugoslavia', *ibid.*, April 1972.

ıe developed industrial nations, especially those of the European Community, to ıaintain the momentum of its industrial growth. The agreement with the EEC, ıitialled in February 1980 after two years of difficult negotiations, will help to ɜduce the colossal balance-of-payments deficit with Western Europe, which ɹpplies 40 per cent of Yugoslavia's imports but takes only 23 per cent of its ɩports. However, by being so closely tied to the West, Yugoslavia is suffering 'om the effects of the European recession. Inflation runs now at a rate of 30 per ɜnt and unemployment is 15 per cent of the public sector workforce of five ıillion. It is not possible for Yugoslavia to obtain from its other main trading ɜrtners—Comecon and the Third World—the goods needed to sustain its indus- ial drive. If the economy flags, the dangers of political instability, arising especi- ly from tension between the developed north and the developing south, will pose ɪrious problems for the collective leadership and will provide an opportunity for ɹtsiders—e.g. the Soviet Union, or the emigré Croats—to cause trouble.

(vi) *Yugoslavia's non-alignment.* Tito was the last survivor of the Heads of State ho founded the non-aligned movement at Belgrade in 1961. In recent years, the ɔn-aligned movement has experienced serious strains arising from the effects of ıe Sino-Soviet conflict, the disunity of the Arabs following the Begin–Sadat ȝreement and conflicts between rival African nationalists. The issues are not as mple as they appeared to be to Nehru, Nasser, Nkrumah and Sukarno when they .et in Belgrade two decades ago.

In these circumstances, Yugoslavia has begun to develop closer contacts with ıe European neutrals and with its Mediterranean neighbours. There is signi- ɔance in the order of adjectives used in the following phrase by the former Foreign linister, Milos Minic, and repeated recently by the Yugoslav representative who itialled the trade agreement with the European Community: 'Yugoslavia is a uropean, Mediterranean, non-aligned and developing country.' This does not ıply the abandonment of the non-aligned position, which has served well both ugoslavia and the cause of European peace and security. It is simply a shift of nphasis in the face of changing realities.

It seems that this position is now well understood by the major powers, if the atements made by the Heads of State and Government attending Tito's impres- ve funeral on 8 May can be believed. If Lord Carrington's suggestion, that the ɔwers should guarantee Afghanistan's non-alignment, were applied to Yugo- avia, it would appear to have a good chance of success.[6]

[6] For an earlier assessment of Yugoslavia's prospects, based on a paper for a Chatham House udy Group, see K. F. Cviic, 'Yugoslavia after Tito', *ibid.*, April 1976.

The Franco-German alliance within the Community

JONATHAN STORY

ON the occasion of one of the regular summit meetings between the French and German heads of government in February 1977, President Valéry Giscard d'Estaing stated that the 'Franco-German entente constitutes the cornerstone of all progress in the construction of Europe'.[1] Chancellor Schmidt, in reply, rendered homage to the President and to his predecessor, General de Gaulle, declaring that the Federal Republic desired a strong France. The mutual endorsement, prompted by shared concern over the probable effect of President Carter's electoral commitments to disarmament and human rights, on the one hand, and economic growth and full employment, on the other, on East–West relations and on the international position of the dollar, marked a further step towards the close co-operation which both statesmen had sought to promote since their advent to power in 1974. Efforts to co-ordinate policies and reconcile differences in a policy of 'parallel convergences' (to use the phrase of the late Italian Prime Minister, Aldo Moro) were the precondition to preserving '*l'acquis communautaire*' and to creating a Western European 'zone of stability' in a fragmenting world.[2]

Since the late 1940s, the debate on the appropriate constitution for a Franco-German alliance has been inseparable from the dual aspiration of both France and the Federal Republic to pursue policies of reconciliation, while preserving national claims on independence or reunification. Under the Fifth Republic, independence, in the sense of France not being run by foreigners, has provided the measure of action, and interdependence has been understood as the condition of community between states conducting their affairs according to agreed procedures and regulations.[3] Where agreement is not possible, France should make its own arrangements, and not be compelled to accept common decisions contrary to its interests. By contrast, the Federal Republic has been more reluctant to invoke nationality as the main reference for Western policy. The American protectorate has not so much subordinated the German people as provided them with the security through which their economy has grown more interdependent with the rest of the Western world, as well as with the European Community. Yet the Basic

[1] Maurice Delarue, 'Paris et Bonn resserrent leur coopération', *Le Monde*, 5 February 1977.
[2] David P. Calleo, 'The European coalition in a fragmenting world', *Foreign Affairs*, Vol. 54, No. 1, October 1975, pp. 98–112.
[3] A recent statement of this theme is by Michel Debré, 'Français, Choisissons', *L'Espoir*, Albin Michel, 1979.

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Law of 1949 urges the German people in the preamble to 'complete the unity and freedom of Germany by means of self-determination', a commitment that was repeated in a judgment by the Federal Republic's Constitutional Court on the Basic Treaty of 1972 with East Germany: 'The Treaty . . . can be a first step in the long process that ends in the various forms of Confederation recognized by international law.'

Structural peculiarities

Co-operative relations between the two states are complicated further by the peculiarity of their institutions, and the distinct content and timing in policy processes inherent in them. The French Napoleonic state holds local and regional authorities under the strict tutelage of the central administration. All major economic decisions, whether for government, corporations or banks, are made in the capital and, in particular, under the aegis of the Ministry of Finance whatever its temporary organization. The Ministry supervises monetary and short-term credit policy, directs the banking system through the Bank of France and allocates financial resources on preferential terms to particular sectors or corporations. Within the Ministry, the Treasury has sought to reduce the cost of borrowing either through direct funding or by providing a refinancing mechanism for banks, fearful of lending long while borrowing short. Economic growth and the development of large corporations has been favoured at the cost of relatively high inflation rates and of the development of a prosperous small and medium-size company sector. Until 1973–4, the general government budget was held in strict balance, since when indebtedness has risen sharply as revenues have declined relative to expenditures as growth rates have fallen off.

Political structures in the Federal Republic are quite distinct, with the small central authorities in Bonn bound in multiple ways by the *Länder*, with their own constitutionally defined powers, and represented in Bonn in the Bundesrat and in Frankfurt in the Bundesbank. Since the move to floating exchange rates in April 1973, the Bundesbank has been able to wield undisputed power over West German macroeconomic policies through its control over domestic monetary and exchange-rate policies.[4] The result between 1973 and 1976 was a policy sharply at variance with French national economic priorities of inflationary growth, offset by occasional devaluations. Over the 1970s, West German growth rates have been on average below French; German producers have switched more than ever to foreign markets, so that the trade surplus tended to be larger at the end than at the beginning of the decade; price levels declined from 1973 on, and unemployment levels rose until 1978. To counter the continued trend to concentration in banking and industry, the Federal government developed active policies in favour of regions and small and medium-size companies. At the same time, social welfare expenditures, financed partly by social security payments, wage taxes and government borrowing, rose rapidly, increasing general government debt as a percentage of GNP from near zero in 1969 to about 27 per cent in 1977. Control of the general

[4] See H. Kreile, 'West Germany: the dynamics of expansion', *International Organization*, Autumn 1977, Vol. 31, No. 4, pp. 775–808.

government budget came to be as problematic for the West German as for the French authorities.

Differences in reconciling national economic policies between France and West Germany have not been facilitated by the distinct language in which policy has been expressed. The vocabulary of free markets and competition reflects West Germany's federal polity, whereas in France the language of state controls and direction appears as a continuity of deeply entrenched positions. In this sense, the Common Programme of the Communists and Socialists, signed in 1972, and demanding extensive nationalizations in banking and industry, appears a continuity of past trends, whereas M. Barre's proposals (for general equilibrium and competition) since his nomination as Premier in September 1976 have been praised or damned in France as an alignment on the German model. Indeed, one of the major political differences between the two countries since 1973–4 may be identified in the ease with which the German authorities have been able to point to continuity in long-established economic policies, and the difficulties which the French government has encountered in seeking to convince the French electorate that inflationary growth and full employment are no longer appropriate policy priorities in the changed economic circumstances of the late 1970s and early 1980s.

Probably the most significant constitutional arrangement for Franco-German relations in the context of the European Community has been the European Council, advanced in 1974 by Giscard d'Estaing as part of his policy of placing French relations on a sounder basis with West Germany, after the débâcle of 1973. The Council may be seen, over and above the regular meetings between Bonn and Paris under the 1963 Treaty of Co-operation, as of evident Gaullian lineage, preserving the de facto power of each head of government to veto policies not deemed compatible with the national interest. But it may also be seen as constituting the European executive, and providing the driving force behind any progress in the Community.[5] Its innovation has tended to relegate the Council of Ministers to a subordinate role in Community decision-making, has cast a further shadow over the Commission and may have further accentuated the trend in the Community for any matter, however technical, on which a government's veto may be anticipated, to float to the top of the hierarchy. Chancellor Schmidt declared his position in forthright manner in October 1975, when he was quoted as saying that 'Europe can only be brought forward by the will of a few statesmen, and not by thousands of regulations and hundreds of ministerial councils'.[6]

Economic policy co-ordination

Whatever the shortcomings, no major initiative in the European Council is possible without close co-operation between France and West Germany. This has been particularly evident after Giscard d'Estaing's election to the Presidency in May 1974. He immediately declared his interest in closer co-operation with West Germany and improved relations with the United States over the Atlantic alliance, international monetary matters and economic policy co-ordination. France and

[5] Maurice Duverger, 'Le présidium de la Communauté', *Le Monde*, 7 December 1978.
[6] *Frankfurter Allgemeine Zeitung*, 30 October 1975.

West Germany, with the other member states in the European Council, managed the Wilson government's 'renegotiation' of Britain's entry terms in 1975, decided in 1976 to comply with the commitment in the Rome Treaty to direct elections to the European Assembly, initiated stricter control over the Community budget and nominated Roy Jenkins as President of the Commission. The failure that year of Franco-German efforts to co-ordinate economic policies contributed to Giscard d'Estaing's replacement of Jacques Chirac, the Gaullist leader, by Raymond Barre, a former Vice-President of the European Commission. Barre, much appreciated in Bonn, left no doubt about his intention of fashioning French economic policy on '*Modell Deutschland*', as the German Social Democrats' election manifesto described the results of their seven-year tenure. After the February 1977 meeting in the framework of the Franco-German Treaty, a joint declaration by Giscard d'Estaing and Helmut Schmidt stated the hope that the Community might 'renew in 1978 progress towards economic and monetary union, [which we consider] an obligatory passage-way on the road towards the union of Europe'.[7] In December 1977, the European Council heard the Commission's proposals on the European Monetary System. Nothing was undertaken until the March 1978 elections in France, for fear of dividing further the Presidential parties over European policy. Immediately after the defeat of the Socialist and Communist Union of the Left, intense consultations between Paris and Bonn were initiated on monetary policy, and the European Monetary System (EMS) was announced at the European Council at Bremen in July 1978. In September, the French government presented to the National Assembly its new macroeconomic and industrial policies, overtly modelled on West Germany.[8]

As France sought to align domestic policies on West Germany, the Federal Republic took its distance from President Carter's America. In 1977, West Germany and France thus inverted roles: whereas West German economic policy came to provide the model for French economic policy, French foreign policy towards the United States came to influence German attitudes to America. At the core of German-American differences lay President Carter's dollar and defence policies. The one affected West Germany's economic policies adversely, the other threatened to introduce an undesirable incalculability into German-Soviet relations. Both contributed to bringing France and West Germany closer. As long as the American authorities had been willing to maintain the value of the dollar internationally by restraining aggregate demand in the United States at the cost of high levels of unemployment, the Bundesbank could manage to reconcile an expanding trade surplus with tight control over the monetary base, and a managed revaluation of the Deutsche Mark. But Carter's election to the White House led to a reversion of American priorities from relative restraint to expansion, at the cost of fiscal and balance-of-payments deficits and higher rates of inflation. A run on the dollar ensued in mid-1977, leading to a massive demand for the DM as an alternative international reserve currency, to heavy inflows into the West German

[7] *Le Monde*, 6–7 February 1977.
[8] *Rapport Economique et Financier: Comptes Prévisionnels pour l'année 1978*, Ministère de l'Economie, Juillet-Août 1978.

money supply between October 1977 and March 1978, and to a sudden deterioration in relations between Bonn and Washington. As late as December 1977, the West German authorities had expressed considerable reserve over the Commission President's proposals in Florence for the EMS. In April, Schmidt declared in a speech in Hamburg that America was behaving 'irresponsibly' in world affairs, launched Community negotiations with the French President for the EMS, and with the French, Swiss and Japanese pressed for American monetary and fiscal restraint. The American monetary measures of 1 November 1978[9] came too late to prevent OPEC, in the midst of the deteriorating Iranian situation, from seeking a further increase in the dollar-denominated cost of oil products.

European policies

As global politics helped to shift West German foreign policy on to a more regional focus, President Giscard d'Estaing's European policies began to transform the political landscape in France. Both Paris and Bonn came to realize that the fall of the Mediterranean dictatorships implied an eventual enlargement of the European Community to include Portugal, Spain and Greece. Both perceived parallel but different domestic rewards and costs: the West German unions feared the implications of Mediterranean membership on free access to the domestic labour market of workers from the three candidates, while French (and Italian) farm organizations opposed Spain's request for membership for fear of competition from Spanish wine products. Conversely, Giscard d'Estaing's support for direct elections to the European Assembly flowed partly from his desire to meet long-standing West German requests for a more democratic Community, and partly out of anticipation that the Communist parties would be in a strong minority in a directly elected European Assembly. Furthermore, introduction of the European dimension into the French campaign for the general elections of March 1978 blurred the lines between the political parties. Neither Gaullists nor Communists broke their respective alliances with the centrists or Socialists over the ratification in the National Assembly in June 1977 of the Bill for direct elections to the European Assembly.[10] But the Gaullists had to lead a vigorous anti-Communist campaign on a ticket of national independence for a President whose pro-Community policies they opposed, while the Communist doubts about Socialist relations with West German Social Democrats, and Socialist convictions of the anti-Community thrust of Communist policies, undermined the confidence of the French electorate in their Union.

In the months following the Presidential parties' victory in the March 1978 general elections, Giscard accentuated his European policies over the EMS and Community industrial and commercial measures. Domestically, the theme of the 'German model' came to dominate political debate. From the government viewpoint two themes predominated. One pointed to the source of West Germany's successes in riding out the post-1973 world economic upheavals as sound labour

[9] See T. de Vries, 'Saving the dollar', *The World Today*, January 1979.

[10] See Julian Crandall Hollick, 'Direct elections to the European Parliament: the French debate', *ibid.*, December 1977.

relations, responsible management and supportive but not interventionist government policy. Another emphasized the political implications to France's relations with Germany of following a 'defensive' industrial strategy, identified with Britain. France, it was held, was in danger of losing its position on German markets to third country producers, mainly developing countries, which were now specializing in the production of those goods on which hitherto French economic growth had been based.[11] Consequently, France had to modify its ideal of a state-defined to a market-formed economy, allow domestic markets to be penetrated by developing country exporters and secure a position on West German markets in goods where France has a 'competitive' advantage. Not surprisingly, both Gaullists and Communists dwelt with growing vehemence on the President's alleged subordination to German interests, the Communists forcefully developing the argument that 'Europe is profitable to Germany',[12] and the Gaullists that Giscard was preparing the 'subservience of France' to Germany and America. The French, Jacques Chirac declared, should not heed the 'party of the foreigner'.[13] But Barre's expressed 'conviction of a final community of interest and destiny of the two countries'[14]—France and Germany—was endorsed by a narrow majority of the electorate in the elections to the European Assembly in June 1979.

Parallel policies towards the East

France and West Germany meanwhile developed their policies of 'parallel convergences' towards the East. The historic roots and domestic aspects differed according to the national situation. In France, special relations with the Soviet Union, developed in the 1960s under General de Gaulle, were held to be necessary because of Germany and as a means of restraining the Communist party.[15] But whereas in the early 1970s, the French government had sought to counter Brandt's eastern initiative by raising de Gaulle's boycott on Britain's membership in the European Community while continuing to subscribe to the détente policy, in the late 1970s, France responded favourably to Bonn's Community initiatives. This was partly out of fear that a wavering American leadership in Western defence might precipitate a rapprochement between Bonn and Moscow, and partly out of anticipation that a deterioration in relations between the United States and the Soviet Union on SALT II, Africa, the Middle and Far East might leave West Germany stranded in the Atlantic alliance as the only country whose national situation left little alternative to accommodating policies towards the Soviet Union. 'The actual debate on the competence of the European Parliamentary Assembly in fact masks another,' André Fontaine wrote, 'what to do with Germany, so that she does not weigh heavily on the destiny of Europe and the world.'[16] France, a pseudonymous civil servant wrote in an article entitled 'German unity: when?',

[11] Christian Stoffaes, *La Grande Menace Industrielle* (Paris: Calmann Lévy, 1978).
[12] Jean-Pierre Godard, 'L'Europe profite à l'Allemagne Fédérale', *l'Humanité*, 20 February 1979.
[13] *Le Point*, 12 February 1979.
[14] 'Entretien de Raymond Barre avec André Fontaine', *Le Monde*, 23 April 1979.
[15] Pierre Hassner, 'Western European perceptions of the USSR', in *Daedalus*, Looking for Europe, Winter 1979, pp. 113–50.
[16] André Fontaine, 'Que faire de l'Allemagne?', *Le Monde*, 22 November 1978.

'is well justified in supporting the principle of the reunification of Germany'.[17]

In Germany, relations with the Soviet Union rest on more tangible foundations. The Soviet Union is a direct military threat, in terms both of conventional arms and of nuclear fire. As Chancellor Schmidt has pointed out, the development of Soviet nuclear superiority in the European theatre creates a 'grey area'[18] in the link between conventional forces in Western Europe and the strategic arsenal of the Western alliance in the United States. But, at the same time, the Soviet bloc provides a significant market for West German exports, and offers ample scope for loan or investment operations by West German corporations. This dual aspect of Moscow's relation to Bonn as threat and partner is most evident in East Germany, the manipulation of which Moscow can use as a lever on Bonn either to stifle undue criticism in West Germany of Soviet domestic policies, or to encourage West Germany to exert a moderating influence within the Atlantic alliance on Western policies towards the Soviet Union.

The latter strand in Soviet policy towards the Federal Republic has been particularly evident in the ups and downs of the SALT II negotiations with the Carter administration. Two blunders aiding—the leakage to the press in the summer of 1977 of Presidential Review Memorandum No. 10, surveying an American option of abandoning one-third of West Germany in the event of a Soviet attack, and the Carter administration's handling of the neutron bomb affair—Schmidt was encouraged to develop the détente aspect of German Eastern policy, while not neglecting to favour the modernization of Nato forces, proposed by the Carter administration. The ensuing more active West German diplomacy in Eastern Europe to convince the Federal Republic's Eastern neighbours of its continued interest in détente and disarmament talks, coupled with reminders that European small and medium powers should not leave the Continent's future entirely in the hands of the two great powers.[19] In May 1978, at the banquet held in Brezhnev's honour during his state visit to the Federal Republic, Schmidt declared: 'Your innermost wish is to make détente irreversible. I assure you and the Soviet people that such is the wish of the Germans, and such is also my personal wish and aspiration.'[20]

For the French government, the policy of pulling West Germany westwards through concessions on the Community and in domestic economic policies, while running a parallel policy of détente with the Soviet Union, has complicated the President's domestic political task. On the one hand, the Gaullists under Chirac's leadership have moved into a position of permanent opposition from within the majority, as champions of national independence and economic growth. Both President and Chirac have avoided rupture so far through political acrobatics on the European stage. Thus, Schmidt in the December 1978 European Council defended the agricultural status quo on the Common Agricultural Policy (CAP) to

[17] *Ibid.*, 16 August 1979.

[18] See Christopher J. Makins, 'Western Europe's security: fog over the "grey areas"', *The World Today*, February 1979.

[19] Chancellor Schmidt's speech to the Polish Institute for International Affairs, *Europa Archiv* (Bonn), 25 January 1978, pp. 24–32.

[20] Quoted in *International Affairs* (Moscow), July 1978.

;atisfy his Free Democrat coalition partners, while Giscard d'Estaing demanded 'eform of the agricultural subsidy schemes to satisfy the Gaullist party, which in '969 had been instrumental in launching them. Furthermore, he did so to acquire heir acquiescence in the European Monetary System (EMS), which both Gaullists ınd Communists were branding as evidence of France's subordination to West ɜermany. On the other hand, the Communists, since the rupture with the Socialists n September 1977, have harped on the theme of the German-American alliance to mpose on Western Europe monetary, industrial and military policies designed to :onsolidate their combined supremacy. As long as West Germany remained the ›bject of Soviet blandishments over détente, the apparent divergence between Moscow and the French Communists over Germany disguised their move away rom their hastily acquired 'Euro-' complexion. The Social Democrat Congress lecision in December 1979 to concur in the positioning of American-controlled 'ershing II missiles on German soil terminated the charade. The Soviet opposition o the decision was compared favourably by the French Communists to the French ,overnment's alleged acquiescence through failure to condemn the German policy. lut had the French government done so, the principle of independence by which ɔreign comment on the French *force de frappe* is rejected, would have been dis-arded, and a precedent set for West German support for the inclusion of the 'rench nuclear force in eventual European disarmament talks. As it is, France and Vest Germany pursue their distinct policies of deterrence and détente in parallel, nd not separately.

nterest in European stability

It is thus inaccurate to argue, as some observers have done, that the German lliance with France may be seen as providing West Germany with a Gallic mouth-iece, where the credit goes to the French, but the power is retained by the Ger-ıans. Such an interpretation derives from too direct an equation between West ɜermany's economic performance and the national situation. The economic ıdicators may all be relatively favourable, but the national situation hardly pro-ides cause for rejoicing. Germany is divided; the Federal Republic lacks raw ıaterials; it depends on West European markets; Bonn can preach, but not npose, economic virtue on other member governments in the European Com-ıunity, let alone on the United States; it can be greatly affected by, but exert next ɔ no influence on, events in the Persian Gulf; its domestic monetary stability is .ightly less vulnerable to the vagaries of the dollar than are its citizens' desires for ıture security from the blandishments and threats of the Soviet Union. The 'ederal Republic is a European country with modest means in need of allies, and as found one in the France of Giscard d'Estaing.

Giscard d'Estaing's statement on the Franco-German entente as constituting ıe cornerstone for all progress in the construction of Europe thus acquires a dif-:rent dimension. It is not just that France and Germany are huddling together to reserve a 'zone of stability' in Western Europe, but that they both have an interest ı preserving stability in the European system, East and West. This interest appears ıfficiently overriding for the French President to have taken considerable risks

on domestic and Community policies to align France closer on West Germany, while Schmidt claims to have postponed reunification for the Greek calends. Interest in European stability is also evident in the professions of confidence in Bonn and Paris on the continued relevance of détente, despite the evidence of Soviet militarism as exemplified in the invasion of Afghanistan. Finally, given what is considered at stake in the Franco-German alliance, there is little reason to believe that either partner will support policies proposed by third parties which are considered by the other damaging either domestically or to the alliance.

Such reluctance was to the fore at the European Council meetings at Dublin and Luxembourg in December 1979 and April 1980. France, the Federal Republic and other member states favoured further budgetary transfers to sustain the Common Agricultural Policy, as long as the contributions came from others. Mrs Thatcher's intransigence thus challenged the Franco-German alliance in the Community where it was weakest. Given the Federal Republic's own budgetary problems, now coupled with the prospect of current account deficits over the 1980s, resources may not be available from that quarter to take over Britain's present position as Community paymaster. But because the Germans may be more susceptible to French arguments about the political risk in not continuing to subsidize French agriculture, Britain's burden on the Community budget none the less may be shouldered by Bonn. On past experience, the Germans have proven more sensitive to domestic French politics than to British. The present British government definitely could claim to be a harsher paymaster, as far as France is concerned, than a more amenable Federal Republic.

Belgium: a state divided

ALAIN GENOT and DAVID LOWE

In Belgium the absence of a national consensus on most major political issues could have far-reaching consequences for one of Europe's smallest states. The two main linguistic communities—Flanders and Wallonia—are becoming increasingly hostile and consequently leading the country into a deepening political and constitutional crisis of which the recent resignation of the Martens coalition government on 9 April was the most obvious casualty. Some particularly pessimistic observers have even discussed the possibility of an eventual partition.

With hindsight it may be seen to be significant that the view taken by F. D. Roosevelt in the concluding stages of the Second World War concerning a dismemberment of Belgium did not die the death that many people believed. Roosevelt, whose maternal ancestors originated from Liège, perhaps epitomized the American attitude at the time when he planned the establishment of a state of Wallonia which was to be formed along the lines of the old bishopric of Liège. The effect of this would have been to incorporate the Grand Duchy of Luxembourg as well as several territories going as far as the Rhine (to be detached from a defeated Germany) into a new Wallonia. The region of Flanders was to be left to its own devices. In the 1970s it was acceptable within the international community to describe Germany as being one nation, yet two states. (François Mauriac is even reported to have said that he liked Germany so much he was glad there were two of them!) Were a similar sort of remark to be made about Belgium it would meet with great disapproval. Nevertheless, the fundamental question concerning the existence of two 'nations' within the Belgian kingdom requires some analysis.

Is it unreasonable that the two Belgian communities, not to mention for the moment the position of Brussels and the tiny German-speaking enclave in the south-east, each with its own language, culture and traditional differences, should be administered separately? Furthermore, do differences in approach to basic economic issues constitute sufficient reason for political division?

Both these questions are extremely complicated and they depend, for any response, on an abundant political will to resolve them. One could argue that essentially the problems are no different to those experienced in the United Kingdom or Spain as far as cultural and traditional differences are concerned. Similarly, it could be argued, other countries, for example Italy and Portugal, remain divided in economic terms between relatively prosperous industrial regions and predominantly agricultural ones. So, what is so different about Belgium? The

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difference, on the one hand, is one of degree; on the other hand, it is cumulative. For there exist not only marked differences in the socio-economic infrastructure of the two communities but also a linguistic divide which accentuates them. What is more important is that the linguistic pattern is exclusive to each community, with no common unifying language as is to be found in Spain or Britain.

The Belgian problem

Until Belgium obtained independence from the Dutch, who had controlled the territory from the end of the Napoleonic period in 1815 up to 1830, the lands on which the new kingdom was founded had been in the hands of the Spanish and Austrian Empires before succumbing to the French Revolution. Under Napoleonic control, the Flemish part had been able to retain significant levels of autonomy within a predominantly French-speaking administration. The Flemish movement in the nineteenth century stressed the use of a common language as the main factor of an intense identification process aimed at creating a strong sense of belonging to an integrated community. Hand in hand with this development emerged a strong antagonism for the French-speaking and politically dominant Walloons. Political predominance in Wallonia went with mastery over the territory's economic resources so that the Flemings were considered as second-class citizens.

If the Walloons were in political control, this was not due to their numerical majority in the state of Belgium. Indeed, it was the Flemings who constituted the largest ethnic group in the population, and during the course of this century they have increased their numerical superiority. By the mid-1970s the Walloon population amounted to only 32 per cent of the nation's total, and the industrial wealth and economic strength was declining in relation to Flanders.[1] Moreover, the Flemish leaders had managed to maintain the cohesion of their movement even during periods of enemy occupation in both World Wars and during this fifty-year period they managed to become increasingly active and influential on the national scene.

The Walloons, on the other other hand, had become complacent in their attitude. The vast majority of the French-speaking population had not considered it necessary, or even desirable, to learn the Flemish language which they considered irrelevant to their needs; German or English was preferred. However, the predominance of French as an administrative language until 1963 meant that most Flemish people at least had an understanding of the tongue. The General Strike of 1960–1 probably marked the turning point in the balance of power within the state. The initiative was no longer on the Walloon side.

The political forces

The political parties which have emerged in Belgium have reflected, as in other European countries, the dominant social characteristics of the state. Apart from the linguistic division in Belgium, there exists also a religious one, roughly speaking

[1] The most recent official figures relating to the Belgian population which is now approaching 10 million are as follows: 56 per cent Flemings, 32 per cent Walloons, 12 per cent Brussels.

along the same lines as in France or Italy. The Catholic and anti-Catholic for gave birth to political parties—the Christian Democrats and the Liberals. 1 Socialist Party constitutes the main class-based party in Belgian politics, althou a small Communist party also exists. However, with the exception of the Co munists who have remained relatively unaffected by the linguistic division in country, all other parties have developed their own, often autonomous, langua based organizations. In addition, there are also purely linguistically based parti particularly in Brussels—the *Rassemblement Wallon*, the *Front des Francophoi* and the *VolksUnie* (VU).

Working-class pluralist action is deeply rooted in Belgian politics. Tra unions are organized on political as opposed to functional bases. The FGT ABVV and the CSC/CCA—the Socialist and the Catholic union respectively although very different in their past objectives, are in the process of organizi common platforms for their activity. This is taking place at a time when unemplo ment has risen to 9·1 per cent of the population. The 'Common Front' between t unions has operated in a looser form for some time, but the current econon crisis has accelerated plans for even closer co-operation in the public and priv sectors. In addition to these union organizations, there also exists in Belgiun strong tradition of mutual-aid organizations and co-operatives.

Broadly speaking, the Social Christians (CVP) are strongest in Flanders and t Socialist Party (PS) is strongest in Wallonia, whereas in Brussels these two ma parties are equalled by the *Front des Francophones* (FDF) reflecting the langua based majority in the European capital.

At the last elections, in December 1978, the three main party groupings emerg with the following strength: the Social Christians obtained 36·2 per cent, t Socialists 25·4 per cent, and the Liberals 16·4 per cent. This represented onl slight change from the previous election result. Since February 1980 and t departure of the FDF from the government, the country was led by a Soc Christian/Socialist coalition involving both the Flemish and Walloon sections both parties (the CVP–PSC, and the PS–SP). Now, with the formation of a ne government under the leadership of Wilfried Martens, the Liberals have joined t coalition, though their position in it is rather tenuous. Indeed, the formation of t new government was only made possible because of the reluctance of all part concerned to face new elections.

The fact that both the Liberals and the Socialists presented well-known TV pe sonalities on their lists in the European elections last year betrays the fact that t television channels in Belgium reflect a marked political bias. Furthermore, t division into Flemish and francophone channels tends to have the effect of co solidating regional identification.

The Flemish press plays a significant part in stressing Flemish cultural origi ality within the Belgian state while supporting exclusively Flemish politicians. T Walloon sector presents a less homogeneous view, mainly because of the hiat which derives from a generally leftward-leaning TV channel and radio netwo with a predominantly right-wing press, which has become more marked since t disappearance of the Socialist daily paper, *le Peuple*.

Divisive trends

The rise of the linguistically based 'community parties' in the 1960s, which coincided with a period of political unrest throughout Europe and the Western world, led to the quest in governmental circles for a way to diffuse a potentially volatile, hence undesirable, situation. Legislation which had been passed by the Belgian Parliament in 1962–3 recognized the linguistic homogeneity of the Flemish and Walloon communities. Brussels remained with a dual linguistic requirement for public and administrative purposes. The so-called 'Third Revision of the Constitution' in 1970, which was in effect a response to the rise of Flemish and Walloon nationalism, established cultural councils for each region which were to be responsible within their respective community for questions concerning educational and cultural issues. In order to obtain this constitutional reform, certain concessions had to be made by the Flemish promoters to both the francophone community in Brussels and to the dominant Walloon interests which were more concerned with national issues than purely regional ones. In particular, Brussels was to be considered as an autonomous region and French-speaking people who lived outside the city limits (in Flemings-dominated districts) were given special attention. Many amongst the younger Flemish political élite within the CVP and the VU contested these concessions and in so doing they called into question the fragile Belgian political equilibrium. This, in turn, threatened the very existence of the Belgian state.

Due partly to the number and division of political parties, the country has always been governed by a coalition except from 1951 to 1954, when the Catholics had an overall majority. The electoral system has perpetuated this state of affairs. It has correspondingly been difficult for a government to survive the duration of a normal legislature, i.e. four years.[3] The influence of the leadership of each political party during the period preceding the creation of a new government, and in particular after the *formateur* has been appointed by the King, is thus great. Even in day-to-day political life, the continual negotiations and compromises between party leaders have a considerable effect on the perceptions of the way the country is governed. The power and influence of the House of Representatives (the Belgian Lower Chamber) and the Senate (the Upper Chamber) has become of secondary significance as party discipline supports the leaderships' arrangements. Discipline is occasionally broken with great effect, as was the case when M. Tindemans, along with a small group of CVP 'dissidents' in the Senate, brought down the last Martens government. Yet, it is significant that in the last 20 years, most of the sensitive issues in Belgian politics, including constitutional revisions, have been concluded outside parliament in ad hoc commissions. It is in this context, therefore, that one must situate what has been called the *pacification communautaire*, or the solution to the community division.

The 1970 constitutional revision had, practically speaking, the force of what might be called 'framework legislation'. In order to implement the provisions it was necessary for the parties concerned to reach a solution on the question of devolution and its interpretation.

[3] Since 1945 there have been 24 governments in Belgium.

As a result of an initiative by the then Prime Minister, Leo Tindemans, the Egmont Agreement was concluded by the very broadly based government which, for the first time, included representatives of the Community parties, FDF and VU. The plan proposed the creation of a five-tier institutional structure, the summit of which would be the House of Representatives, responsible for foreign affairs, defence, justice and fiscal policy as well as matters concerning international trade. The Senate's powers would be reduced to include primary concern for regional and constitutional issues. Secondly, regional councils were to be elected in the three regions outlined in the 1970 framework, which included Brussels. Cultural councils, it was proposed, should be maintained and the role of the provinces and communes left unchanged. Although signed in May 1977, the plan was almost immediately called into question and further negotiations—due to the obstacles which had arisen over the status of Brussels—concluded in February 1978 (the Stuivenberg Agreement) really did little to bring the issue to an acceptable solution. The problem proved intractable and led to the resignation of the Tindemans government, which was replaced by a caretaker government led by the CVP Defence Minister, Paul van den Boeynants, which steered the country into the December 1978 general election.

Then, as now in May 1980, the peculiar status of Brussels has been a main obstacle to a lasting solution. The Flemish-speaking minority in Brussels amounts to some 15 per cent of the population whereas the immigrant community accounts for nearly 20 per cent. Also, the surrounding areas consist of small Flemish-dominated townships with relatively large francophone minorities whose rights posed considerable problems. In addition, another stumbling block was the fact that the admission of Brussels as the third region meant that the 'French' would dominate two regions to the Flemish domination of only one. This led to demands by some political leaders in the Brussels community that the city be given a similar status to Berne or Ottawa or, within a European Confederation, an independent status such as Canberra or Washington DC.

The rivalry between the two linguistic communities has recently been exacerbated by events which have not improved prospects of a consensual solution to the problems. The Flemish Employers' Federation alleged that the wage claims of the Walloon labour force, combined with a more combative attitude characteristic of the Walloon, had led to the decline of foreign investment within the country despite the availability of generous subsidies. Then, an academic study affirmed that Wallonia was benefiting disproportionately from the state budget by receiving money to cover the financial deficit in the region.[8] Furthermore, it was claimed that this credit was levied mostly from Flanders. Another controversial issue was a small area within Wallonia which since 1962 has belonged to Flanders, called the *Fourons*. Riots which broke out at the end of last summer in the six small villages which make up the area were particularly bitter and they seem to have altered the normally placid Flemish attitude in a way that nothing—not even the *Question Royale* in 1950—had done before.

[8] P. van Rompuy and A. Verheirstraeten, *Hervedeling en regionalizatie* (Leuven, 1979), as summarized in *De Standaard*, 10 September 1979.

Possible alternatives

Many people now believe that the Belgian state in its present semi-regionalized form is bound to disappear. Decentralization in itself may not prove to be sufficient even for the former partisans of this formula, given the strong antagonism which has emerged. Some have adopted what can be termed a maximalist approach typified by the young Flemish Social Christians, which consists of aiming at a loose confederation comprising two sovereign states. Brussels would remain the seat of a very limited central government authority whose function would be restricted almost exclusively to foreign affairs, defence and currency matters; the monarchy would remain.

Others have adopted a separatist approach. Even in what in the past were considered to be moderate circles, there is discussion and a certain amount of support for a total separation between Flanders and Wallonia. In this perspective, even the 'economic and monetary union' which politicians strive for in the European Community would be abandoned within Belgium. A customs union, it is argued, would be sufficient as any closer link would inevitably be at the expense of the Flemish community. Some of the advocates of this objective have gone so far as to envisage the uniting of Brussels to 'mainland Wallonia'. Though hardly feasible, such propositions are being put forward and considerable concern has been caused by the extreme nature of these and similar demands.

The question also arises as to how such proposed changes might be decided upon given the obstructive procedures behind the scenes. The Belgian Constitution does not provide for a referendum on the basis of which such an issue might be resolved. Nevertheless, the 1950 consultative referendum on the *Question Royale* has set an interesting precedent.

Inevitably, in any constitutional debate the position of the monarchy is considered. The issue almost led to civil war in the early 1950s and people were killed in bitter demonstrations. King Baudouin has abided faithfully by his 'Royal contract of employment'[4] and any moves to force his abdication would meet with serious obstruction. At the same time, it is hard to imagine a monarch ruling over two independent states.

No matter what solution is at present envisaged, the position of Parliament will be transformed; at the extreme, it could be turned into a mere rump. Even if foreign affairs and defence matters were treated on a 'federal' basis, there is an implication that the diplomatic corps, the military structure and possibly the Courts, too, would have to be reorganized.

The obstacles to partition are more of a political than an economic nature. Despite different economic infrastructures, both Flanders and Wallonia have the potential to be economically viable and both represent a community which is equal in size to either Denmark or Eire. Neither side has envisaged leaving the European Community in the event of partition so that trade patterns would be unlikely to change. In the short term, the Belgian franc might suffer and some adjustment within the European Monetary System (EMS) would be possible. However, that

[4] The expression was used by King Albert I to describe his royal duties vis-à-vis the Belgian people: see H. Willequet, *Albert Ier, Roi des Belges* (Brussels: Presses de Belgique, 1979).

development is not improbable even now without a partition, as the franc is already weak and under pressure.

It is possible that the process of separation would create a source of clarity and dynamism which would suit the prevailing political trends in each state. Within the Benelux Union, certain modifications would have to be made, but nothing drastic would necessarily happen. There might be some shift of alliances—for example, a rapprochement between Wallonia and France—as both Flemings and Walloons come to enjoy an independence that would free them from the constraints of creating a false equilibrium for 'national' reasons. But this would only confirm an evolution which has been apparent for some time. The advocates of European federalism might welcome the fact that Brussels could emerge as a fully-fledged international capital city; others would certainly be hostile to such a fait accompli.

The current political and social instability which Belgium is experiencing is to some degree reminiscent of Fourth Republic France, as some commentators have pointed out, because political leadership and the institutions are questioned and national identity is threatened. But such an analogy is rather facile if taken too far, though it must be recognized that successive governmental crises at a time of great economic instability are very detrimental to the integrity of the state. In spite of the delegation of limited competence to Wallonia, Flanders and Brussels in July 1979, the pressures for coherent regional autonomy are growing. Though successive governments have tried their hardest to resolve the problems, they have always failed because the centrifugal forces in Belgian society are too strong.

The recent political upheavals in Ghana

D. J. HARRIS

IN the last two years, political leadership in Ghana has undergone a series of rapid changes. On 5 July 1978, amidst economic chaos, the head of the Supreme Military Council (SMC), General I. K. Acheampong, was ousted in a palace coup by the Chief of Defence Staff, Lieutenant-General F. W. K. Akuffo, and imprisoned. Although Akuffo attempted reforms, the economic crisis continued and on 15 May 1979 an abortive coup was staged by Flight Lieutenant J. Rawlings. Three weeks later, Rawlings was released from prison by accomplices and on 4 June he bloodily replaced the SMC with the Armed Forces Revolutionary Council (AFRC) geared to 'cleansing' the country of the corruption which had accompanied the demise of both the economy and the institutional reputation of the military. The seriousness of this intent was revealed on 16 and 26 June with eight executions, including those of the former SMC leaders as well as that of General Afrifa.[1] In the midst of this upheaval, the AFRC adhered to the scheduled elections of 18 June 1979; these were won by Dr Hilla Limann's People's National Party (PNP) to whom Rawlings handed over power on 24 September.

Although the swiftness of these events added to their bizarre and tragic overtones, their most significant feature is that they embody two conflicting elements: a marked breach with the formerly non-violent nature of political upheavals in Ghana and a continuation of basic political cleavages that have characterized its politics since the independence movement.

Acheampong's regime

Having overthrown Dr Busia's Progress Party government in January 1972, Colonel Acheampong's National Redemption Council was reorganized into the more compact seven-member SMC in October 1975.[2] The ostensible purpose was to deal with a series of problems arising from the economic policies of 'self-reliance' which had been designed to overcome structural weaknesses by diversifying agricultural development. These had led to definite improvements up to 1975, but unfortunately contained the central weakness, the effects of which plague Ghana to this day, of being financed by deficit budgeting. This increased from an average figure of 190 million cedis for 1973 and 1974 to 590 m. cedis in 1975 and was underpinned by massive loans from the Central Bank; between 1975 and 1976

[1] General Afrifa was involved in the coup against Kwame Nkrumah in 1966. He had remained a powerful background force in Ghanaian politics and was elected to Parliament in the 18 June elections. For the AFRC he represented the corrupt soldier who uses his profession to gain both political power and wealth.

[2] For a succinct account of the coup against Dr Busia, see Valerie Plave Bennett, 'The "non-politicians" take over', *Africa Report*, Vol. 17, April 1972. Colonel Acheampong was promoted to the rank of General in March 1976.

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the money supply increased from C770 m. to C1·2 billion and eventually emerged as an annual average increase of 80 per cent between 1972 and 1978. Though such budgetary allocations reflected complex policy formulation, the required managerial abilities to ensure their implementation was not forthcoming and when production eventually stagnated, it did so against this level of increased liquidity.

Given an admixture of tightly controlled imports and increasing domestic inflation, the problems of hoarding and black marketing quickly emerged and a parallel economy came to dominate commercial dealings. Its scale was such that the SMC could correctly set its sights on the market traders and wholesalers, but to protect its credibility the government treated them as the primary cause of the malaise rather than as a symptom. It issued a series of decrees geared to the distribution of 'essential commodities' and in 1976 queues for these items became a common feature of life that was to continue until late 1979, even though the government had now come to monopolize the distributive sector. The essence of the corruption characterizing this whole period was that it began as profiteering resulting from economic mismanagement and then escalated to involve the military government as it became enmeshed in the distributive process.

Any legitimacy that Acheampong had secured through earlier achievements had been naturally dissipated, although politically the system continued to be relatively tolerant. The period from September 1976 to July 1978 was marked by a series of open confrontations between the educated strata and the SMC, including sporadic strikes by lawyers and doctors culminating in the withdrawal of services by all members of the Professional Bodies Association in April 1978. Against the background of continuing economic difficulties, Acheampong steadily conceded ground and in mid-1977 agreed to a return to civilian rule by July 1979. This was to follow a referendum, set for 30 March 1978, to decide whether the eventual format should be for a 'union government' comprising police, military and non-party civilian representatives. Although denounced by the 'professionals' as a manœuvre to perpetuate military rule, the SMC's proposal none the less reflected a sizeable body of opinion at this time, given Ghana's experience of inept and corrupt political parties. The crucial point is that it is doubtful if such opinion would have been forthcoming later in 1977 when large-scale corruption, further economic mismanagement and political violence combined to make the period of the referendum campaign one of the most unsavoury in the country's history.

Using its control of the centralized marketing system as a source of patronage, the government created and financed a range of groups to voice its cause. It transformed the media and the government departments into propaganda machinery whilst simultaneously hampering opponents of union government, who were frequently physically attacked by the auxiliary bodies. The intensity of its efforts here was matched by attempts to interfere with the counting procedure, and the 'professionals' again struck in protest. The outcome of 1,103,423 votes in favour and 880,255 against union government, though discredited, was none the less taken by Acheampong as a personal mandate: he then proscribed all opposition bodies and in mid-April rounded up and detained 35 prominent citizens including nine Ministers from former regimes, two former Commissioners of Police, two

ex-Ambassadors, the President of the Ghana Bar Association and the Chairman of Legon's History Department.

On the economic front, the widespread shortages of consumer goods were now acute and, even measured by the largely irrelevant 'control prices', the cost of living had increased by over 600 per cent since 1973, the major push being since 1976. By the middle of 1978 industrial activity came to a halt for a lack of spare parts and materials, although there was a record import bill of C1 billion. In June an absence of oil supplies led to the closure of the Tema refinery, employing over 5,000 workers, and foreign vessels were stranded in the harbour. The obvious devaluation was eventually and surreptitiously introduced on 19 June when the cedi was floated and immediately registered a 14·8 per cent decline.

Following Acheampong's handling of the referendum and its aftermath, the reputation of the military plummeted. Within the services, complaints of his growing isolation and dictatorial rule and their own exclusion had been mounting. The scale of corruption amongst senior officers was such that discipline was increasingly precarious, and when soldiers were openly jeered at during the June petrol famine, the mood amongst them meant that Acheampong's removal was necessary to avert disorder. The step was taken on 5 July 1978 when he was ousted in characteristically bloodless fashion by Lieutenant-General Akuffo.

Akuffo's half-hearted reforms

With the situation far from settled, Akuffo was faced with two immediate and related tasks of salvaging the economy and the reputation of the military prior to withdrawal. To undertake both, however, meant that he respond to increasing public demands for military accountability. In claiming that the shortages were primarily caused by the distributive sector, and then commanding that sector, the Acheampong government was seriously compromised when they continued. A second official claim was that export revenues and foreign-exchange levels were damaged by the smuggling of up to one-fifth of the cocoa crop to the higher-priced border countries. The question here was how an operation on such a scale could exist without government involvement at the highest levels. It is of crucial importance that this was a period of record world prices for cocoa. From a price of C270 per tonne in 1972 they had increased to C585 in 1973 and then leaped to C1,400 in 1976 and C3,000 in 1977. Even with a smaller crop and recorded official exports, prices such as these were adequate to cover average foreign-exchange requirements. The insistence on accountability centred directly on this connexion between corruption and the economic hardships but, should any meaningful investigations have been undertaken, Akuffo's position, as Acheampong's deputy since 1977, would have been precarious indeed.

In a desperate, though obviously circumscribed, attempt to create a more wholesome SMC image, he immediately reversed a series of Acheampong's economic and political decisions, released all detainees and nullified the referendum. Investigations were set up, and two SMC members, the Inspector-General of Police and the Commander of the Border Guard, were removed from office, as were the military directors of the Cocoa Marketing Board—which reveals how

close to the top Akuffo had to go even at this early stage. Ignoring demands from the lawyers for a return to political parties by January 1979, Akuffo insisted that a non-party national government take power in July 1979, but arranged local council elections on that basis for November 1978. None of this went far enough, and the harsh deflationary budget introduced in September, and continuing devaluation, met with open disfavour. The opposition of the 'professionals' was now overshadowed by that of urban workers, and from September Ghana experienced widespread strikes whose leadership rejected any mediation by the suspect Trades Union Council. As the action escalated, Akuffo declared a state of emergency; but the situation was such that in December he finally conceded to demands for parties in order to dampen the tension and parry demands for a more genuine pursuit of accountability.

When the emergency ended on 1 January 1979, no less than 16 parties emerged and then contracted to five of significance by the time of the elections. The most important single feature here is that they were mainly expressions of the old Nkrumah/Busia division, and though most of the old guard were prohibited from running for office, they none the less ran these parties. Two emerged from the Busia legacy, the Popular Front Party led by Victor Owusu, and the United National Convention headed by the veteran William Ofori-Atta. The distinction between them was not so much one of policy as of personality differences, but these were potent enough to prevent their expected merger. The handful of 'leftist' parties merged with the People's National Party, whose old-guard Nkrumah lieutenants promoted the leadership of the little-known northerner, Dr Hilla Limann. The Action Congress Party led by Colonel F. Bernasko, who had made an early departure from Acheampong's National Revolutionary Council, provided a rightist group with strong Fanti connexions. Finally came the Social Democratic Front which had TUC sponsorship and origins. It is worth repeating that the distinctions between the three front runners revolved around the symbolism projected by leaders from Ghana's colonial days rather than current policies. Given Ghana's traumatic economic and political experiences since 1972 and beyond, this says much for the enduring imagery in Ghanaian politics and provides a view of an often obscured basic theme.

What was not obscured, unfortunately, was that the SMC under Akuffo's stewardship was no more effective than its predecessor in curtailing the parallel economy. The price increases resulting from devaluation were fuelled by continuing black market trading and the shortages of consumer goods, including 'essential commodities', persisted.[5] In April, the tepid campaign of accountability was abandoned when Acheampong was cashiered but not charged; this was followed in May with the announcement that the SMC was to be constitutionally indemnified for all actions whilst in office. This clause was widely interpreted as Akuffo's price for the return to party rule and, being so intimately linked to the economic chaos, it was this that ignited public opinion.

[5] In March, the SMC attempted to reduce liquidity and block the use of black market cedis by issuing a new currency. For an account of how this botched measure increased inflation, see *The Economist*, 24 March 1979.

The mutiny of 4 June 1978

It was also the motivation for junior officers to make a final effort to salvage the reputation of their profession, resulting in the coup of 4 June. Though it had some similarities with the Akuffo palace coup of a year earlier, its character lay in two vital differences which, apart from the violence, mark it as a watershed in Ghanaian politics. In the circumstances of July 1978, the recovery of military prestige was perceived as a function of economic reform, and military accountability—when it was considered at all—was seen as a means to gain support for this reform. For Rawlings, the recovery of military prestige was paramount and was itself defined as the eradication of the corruption, and the most corrupt elements, which military rule had fostered within its own ranks and within society generally. Any programme of economic reform was considered beyond its immediate ambitions and capacities and best left to a civilian regime. The second point of departure concerns the applicability of the term 'coup' to the events of 4 June—it was in fact a mutiny whose leaders seized political power and whose broad base appeared to give it a revolutionary character.

Following the inclusion of the escape clause, Akuffo had further attempted to cement SMC interests by demanding that its members remain in the services and that the military promulgate the Constitution. In concentrating on their own preservation, however, the senior officers were creating, and simultaneously diverted from controlling, a groundswell of the type that had displaced Acheampong. A mutiny broke out on 4 June and quickly spread from Accra's Burma Camp to come under the direction of Flight Lieutenant Rawlings whose action of 15 May, and subsequent impassioned attack—at a hearing of his court martial—on the suffering that corruption had brought to the ordinary workers and soldiers, had inspired the uprising.

Proclaiming itself a coup by 'junior officers and other ranks', the ten-member Armed Forces Revolutionary Council comprised 2 majors, 1 captain, 1 warrant officer, 1 private, 1 lance-corporal, 1 corporal, 1 staff sergeant and 1 lieutenant commander under Rawlings's chairmanship. The senior posts within the military were then handed to officers none of whom held rank above that of colonel. In an initial broadcast, the AFRC declared its intention to undertake a 'house-cleaning' exercise of the type expected of and thwarted by Akuffo, as well as to remove some of the most pressing effects of corruption which beset the ordinary Ghanaian. In this connexion, it sternly warned against selling above control prices. Such composition and aims, as well as the declaration to honour the election schedule and return to party rule by 1 October, largely explain the sympathy with which the AFRC was received.[4]

The major phenomenon to be explained, however, is the mass popularity and enthusiasm which soon came to characterize the movement. Three features are prominent here, the first being that the limited aims of the coup were born of a frustration with authority acutely shared by the majority of the population. Second, it was the coup's methods that mainly accounted for its appeal. Although

[4] An excellent account of the origins and aims of the Rawlings coup is to be found in *Africa*, No. 96, August 1979.

the executions were the most dramatic event of the period, they overshadowed, though profoundly affected, the changes in the market place. One of the first actions of the AFRC was to raid the markets and traders' houses uncovering hoarded goods and publicly chastising profiteers. An ultimatum to tax defaulters, who had flourished under Acheampong, quickly produced C40 m. and some C185 m. by August, and within two weeks long hoarded goods at control prices were a common sight in the urban areas. Public identification with these actions continued after the executions, and the official 'house-cleaning' proceeded with heavy prison sentences for military and civilian officials and the nationalization of their private businesses. In a society where trust in the established means of redress had diminished considerably, the appeal of such direct action was obvious.

This environment brings us to the third element in the popularity of the AFRC: the charisma of Rawlings himself. Although under pressure from the ranks and from university students and certain urban elements to continue the executions, his role was not merely to spearhead the movement but to define and control it. In addition to spurring offenders into rapid conformity, the executions, departing as they did from the traditional Ghanaian abhorrence of political bloodshed, ignited spontaneous outbreaks, as soldiers and policemen turned on senior officers and civilian groups hounded suspected profiteers. That this situation was contained is due largely to Rawlings's ability to stress the reformist nature of his intent. For a now highly mobilized society, the fact that it was corrupt authority and commercial practice that were the targets, rather than the basis of that authority or the economic system, was underlined by Rawlings's clearly defined parameters and the reinstatement of blameless officials of the former regime, especially Dr L. S. Abbey, the orthodox monetarist planner and architect of Akuffo's fiscal measures. Such delimitations should have been apparent to those early commentators who misperceived the mass appeal and methods of the coup for genuine revolutionary intent for, as mentioned above, it was most likely the very narrowness of its focus that enhanced its popularity and accounted for that combination of violence and constitutionalism of June and July 1979. It was also these reformist aims pursued by seemingly revolutionary methods that ensured the brevity of the AFRC interlude; lacking any clear doctrine of social change other than professional integrity, the very effectiveness of its methods began to undermine its momentum. It should similarly be borne in mind that, rather than being the dawning of some enhanced social consciousness, this was the climax to a process of violence instigated by Acheampong during the discredited referendum campaign and compounded by the heavily repressed discontent under Akuffo that mounted dangerously with the indemnity machinations.[5] From this angle, the AFRC episode provided a safety valve, which the parties silently applauded as they contested a bankrupt country equipped with few policies that did not require further consumer restraint and sacrifice.

Back to civilian rule

These factors, as well as international pressures against the executions, saw the AFRC clearly running out of steam as it handed over to Dr Hilla Limann ahead

[5] For the atmosphere in Ghana at this time, see *The New York Times*, 30 July 1979.

of schedule on 24 September 1979. Brevity notwithstanding, should the victorious PNP serve its full period of office it will be here that the effects of 'direct action' will be most apparent.[6] Although Ghanaian politics have long been bereft of any real ideological framework, it has frequently put a premium on the pace of action professed by leaders—on the efficacy of the sweeping solutions of direct action or the cautious path of incremental change. This explains much of the shift in popularity to the Convention People's Party's stand on independence, the nostalgia for the early Nkrumah period and the victory for Busia's gradualism in 1969. Although undertaken without parties, the local elections of November 1978 did reveal a victory for those candidates whose former party affiliations were clearly in the Busia image and a defeat for Nkrumah's old associates. The objective situation had changed by May 1979 with the frustrations of the Akuffo episode, but it was largely the sweeping move to 'direct action' under the AFRC that led to a reversal of this earlier electoral mood. The ability of the PNP to stress its origins led to its victory on 18 June 1979.

In the campaign, all parties joined the lawyers in condemning the executions but were quick to endorse the 'house-cleaning' campaign in principle. But it was their ability to endorse their 'direct action' credentials that was the most potent issue. The outcome of the parliamentary elections for the 140-seat body was: People's National Party—71; Popular Front Party—42; United National Congress—13; Action Congress Party—10; Social Democratic Front—3; Independent (PFP affiliated)—1.

With regard to the three leading parties, the dominant cleavage was clearly in terms of the Nkrumah/Busia legacy. Naturally regional-ethnic factors played their part, but even here the sense of political *déjà vu* was enforced for the major contestants; the regions of Ashanti and Brong-Ahafo are traditional Busia strongholds and here the Popular Front Party secured 29 of its seats, whereas the People's National Party registered its poorest showing, winning only four of the 35 constituencies.[7] The two parties outside this legacy emerged as essentially ethnic parties; the gains of the Action Congress Party were amongst the coastal Fanti people, whereas the three seats of the Social Democratic Front were limited to the rural northern base of its leadership—which reflects the poor standing of the TUC since its ambivalence towards the industrial action of late 1978. The campaign for the presidential run-offs of 9 July was similarly fought on the basis of 'direct action' solutions and the PNP leadership further stressed the parallels between the early Nkrumah period and the issues of the day. Limann won decisively with 1,118,405 votes to Victor Owusu's 686,132.

Currently the impact of the AFRC is strongly felt. The PNP is clearly administering without any comprehensive solutions to the structural problems which beset

[6] 'Direct Action' and 'Positive Action' were the characteristic slogans of Nkrumah's Convention People's Party from its formation in 1949. Essentially they meant *immediate* self-government as opposed to the gradualism of the opposition United Gold Coast Convention. These slogans were not associated in any meaningful way with socialism, which in any case did not appear in Ghana until 1964, and then more in rhetorical form and centralization rather than economic egalitarianism.

[7] No comprehensive analysis of the election has yet been undertaken. A very useful regional and district tabulation of the results is to be found in *West Africa*, 15 October 1979.

the Ghanaian economy and, given its preoccupation with restoring a sound distributive sector and international credit rating, it is doubtful if it could diversify its productive activity away from the reliable, but ultimately debilitating, concentration on cocoa revenues. It has therefore chosen to maintain its credibility by emphasizing the sense of purpose provided by the AFRC. This has taken the form of vigilante groups which had their origins in spontaneous citizens' campaigns against profiteers and which now operate as a network of moral watchdogs monitoring traders' activities. These groups were strongly challenged by the opposition, but central to their fears was their potential as PNP auxiliaries fostered by presidential patronage and reminiscent of the later Nkrumah period.

The major test for Limann's statecraft is that until late 1980 the economic resources to combat the continuing shortages and to satisfy wage demands will not be forthcoming; in their absence, he has little recourse other than to political mobilization. However, he has his own vigilante to contend with here. After being clumsily dismissed from the forces and refusing political co-optation, Rawlings now organizes urban self-help projects in his capacity as a private citizen. Through such 'direct action' he remains a powerful political force and that rallying cry heard during Limann's campaign now echoes in the form of the 'Rawlings problem'.

UN cease-fires: the problem of beleaguered combatants

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CEASE-FIRES usually enter into force following an appeal from a source external to the conflict such as the UN Security Council. Cease-fires which result from direct negotiation between the parties are unusual, the only two significant instances since the Second World War being that for Algeria, negotiated at Evian-les-Bains in 1962, and the Lancaster House agreement for Zimbabwe (Rhodesia). More usually a cease-fire takes effect without any contact between the parties and may later be converted into a more durable truce or armistice, often with third-party assistance.

If the fighting has been between regular military forces, the first task after the fighting has stopped is to demarcate the lines of separation and to arrange for these to be supervised by military observers or peace-keeping contingents. If the fighting has been of an irregular kind, however, there will be no lines of contact between

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opposing armies, so procedures have to be devised for redeploying military forces during the tense period after a cease-fire takes hold and with minimal independent supervision.

In Zimbabwe (Rhodesia), no fewer than 22,000 irregular soldiers of the two guerrilla armies, including a sizeable number of women fighters, assembled in staging areas in a little more than a week under the watchful eyes of a small and lightly armed Commonwealth Monitoring Force. The operation had been planned by the Ministry of Defence during the Lancaster House conference, and one factor in its success was the mutual trust established in London during formal and informal negotiations. (Another factor, it must be admitted, was luck.) The operation was carried out by a multi-national but mainly British force, within an exceedingly tight time schedule. There were many unexpected problems, but these were overcome in a pragmatic and improvised way. There were a few incidents, but none of sufficient gravity to lead to a resumption of fighting. This was an astonishing achievement reflecting credit on the Commonwealth Monitoring Force, and suggesting that the guerrillas had attained a greater degree of order, discipline and cohesion than the media had led us to expect. It was, moreover, an exceptional procedure: in the ordinary way, combatants are expected to halt military operations and stand fast the moment a cease-fire comes into force.

The first few days of a cease-fire are always precarious. There may be uncertainty as to which activities are permitted and which prohibited, particularly at lower levels of military command, so that any suspected violation may well lead to retaliation by the opposing party. If combatants find themselves surrounded by the military forces of the other side and seek to return to friendly territory, it will be difficult for the adverse party to know whether the movement of forces has a hostile intent. They are likely to assume the worst and retaliate, thus imperilling the cease-fire. If surrounded combatants stand fast, however, they may soon be starved into submission.

This problem has arisen only since the establishment of the United Nations. Formerly a suspension of hostilities was brought about only following direct contact between the parties. Nowadays a different procedure is likely. If armed conflict has a definite beginning which the rest of the world can discern, even if there has been no formal declaration of war, it can be assumed that the Security Council will be convened and that it will issue an appeal or order for the fighting to stop. At this stage the Council will not pay much regard to the military situation on the ground, and it will almost certainly call for hostilities to cease before supervisory personnel have been installed. Often in the past this has led to problems for beleaguered combatants.

Indonesia, 1947–8

When the Netherlands undertook its first 'police action' in Indonesia in 1947, its forces advanced along important lines of communication so that they could dominate an area without actually occupying the whole of it. After the cease-fire had entered into effect, the forward Dutch positions were linked to form a notional front line. The Indonesian Republic, as the militarily weaker party, had in any

event resorted to guerrilla methods of fighting, and the Dutch spearhead tactics left bands of Indonesian fighters behind the notional front lines.

Moreover, the Indonesian fighters were not a monolithic force. Some were trained soldiers, under proper command and wearing uniforms or distinguishing marks. Others were free-lance fighters, perhaps acting patriotically, but not under the control of the Republican authorities. A few were common criminals, taking advantage of the general chaos for their own ends. No doubt some were Dutch agents, deliberately fomenting trouble. This confused kind of situation is not uncommon during and after guerrilla warfare.

The Netherlands authorities took the line that the very existence of by-passed Republican soldiers was a breach of the cease-fire, and that their own forces were free to eliminate these by-passed military units in mopping-up operations.[1]

The Indonesians, for their part, insisted that penetration was not occupation and that the territory between the Netherlands lines of advance was not occupied territory. They believed that a cease-fire should include a stand-fast, and that it was the patrols and sweeps by Netherlands forces which constituted a breach of the Security Council's call to cease hostilities.[2]

The Netherlands rejected the first plan of the UN Good Offices Committee because there was no provision in it for the evacuation of the Republican fighters who were in areas which the Netherlands claimed to have occupied. The Good Offices Committee then proposed that demilitarized zones should be established between the front lines and that all military forces on the other party's side of a demilitarized zone should move peacefully into such zones under UN supervision. This was accepted by the Indonesians and, with reservations, by the Dutch. The truce agreement signed on board the USS *Renville* approved the procedures for by-passed fighters already agreed, with the addition of a provision that Indonesians behind the Dutch lines would proceed to the demilitarized zones 'as quickly as practicable, and in any case within twenty-one days . . .' after the cease-fire had taken effect.[3] It was necessary to extend the deadline by ten days, and some 35,000 Republican fighters were duly evacuated.[4]

Palestine, 1948–9

In the Palestine war, there was an encircled group in the Faluja area of the Negev consisting of Egyptian and Sudanese soldiers (including Gamal Abdul Nasser) and Arab civilians who had been surrounded by Yigal Allon's forces during the third phase of the fighting. Ralph Bunche, the Acting UN Mediator, urged Israel to allow food convoys to enter the Faluja pocket, but David Ben-Gurion was determined to maintain pressure on the Arabs in Faluja until an armistice was concluded. In any case, Ben-Gurion believed that military supplies had been smuggled in at an earlier stage in boxes supposedly containing nothing but food. UN staff in the area believed that magnanimity by Israel would have paid hand-

[1] Security Council Official Records (SCOR), 2nd year, 211th mtg. (14 October 1947), p. 2570, S/581; Special Supplement no. 4, S/586/Rev. 1, pp. 7–8, 94–6.

[2] *Ibid.*, pp. 71–3, 101, 134–5; 207th mtg. (3 October 1947), p. 2494, S/568.

[3] SCOR, 3rd year, Special Supplement no. 1, S/649/Rev. 1, pp. 9–13, 74, 77.

[4] SCOR, 3rd year, Supplement for June 1948, pp. 58–9 (S/787), 124 (S/848/Add. 1).

some dividends, but the Israeli leadership was adamant. 'The Egyptians are here as enemies, in a country that does not belong to them', Ben-Gurion told Bunche, 'and as long as there are no peace negotiations, we will not allow them to remove their troops from Faluja.'[5] It was not until after armistice negotiations between Egypt and Israel had opened in Rhodes, and after new cease-fire commitments had been made by the parties, that Israel agreed to allow food and medical supplies to be sent to Faluja under UN supervision.[6]

The Egypt–Israel armistice provided that the Arabs in the Faluja area, described in the agreement as 'the Egyptian Military Forces', were to be evacuated within five days of signing. Sick and wounded were to leave first, then infantry, and finally forces with heavy equipment. Israeli authorities and officers were to extend their full co-operation and Israeli troops were to be kept away from the evacuation route. The whole operation was to be under 'effective United Nations supervision. . .' Bunche reported in due course that the operation had been successfully undertaken. Egyptian forces totalling 2,900 men had been evacuated, and 1,050 out of some 3,500 civilians in the area had left for Gaza: a further group of civilians subsequently went to Hebron. The Egyptians, according to the International Committee of the Red Cross, 'spontaneously handed over their Israeli prisoners before crossing back into Egypt.'[7]

Cyprus, 1964

In Cyprus in 1964, groups of Turkish Cypriot fighters were cut off in the Kokkina and Limnitis areas when the UN cease-fire went into effect in August, and Greek Cypriot forces maintained a strict blockade of all Turkish enclaves. It would have been technically possible for the beleaguered fighters to have left Kokkina and Limnitis by sea, but neither Turkey nor the Turkish community in Cyprus was prepared to take an action which would have savoured of defeat.

It was assumed by humanitarian organizations that, once the fighting had stopped, essential supplies could be sent to the Turkish Cypriot enclaves, but the Greek Cypriot leaders were unwilling to allow any supplies to reach 'Turkish terrorists' who rejected the authority of the Cyprus government. President Makarios said he would not lift the blockade so long as Turkish Cypriots were interfering with the free movement of traffic on the road running north from Nicosia to Kyrenia. When the shortage of food and other essentials became 'particularly critical', the UN Force and the International Committee of the Red Cross made representations to the Cyprus government to allow relief supplies to enter the blockaded areas, and this led to a relaxation of the restrictions on the move-

[5] SCOR, 3rd year, Supplement for December 1948, pp. 302–3, S/1152; David Ben-Gurion, *Israel: a personal history* (Tel Aviv: Sabra Books, 1971), pp. 314, 316; Yigal Allon, *The making of Israel's Army* (London: Weidenfeld and Nicolson in association with Valentine, Mitchell, 1970), p. 41; Pablo de Azcárate, *Mission in Palestine, 1948–52* (Washington, D.C.: Middle East Institute, 1966), p. 109; Foreign Relations of the United States (FRUS), 1949, vol. VI, pp. 597–8, 691, 694–5.

[6] UN doc. S/1227, 25 January 1949 (mimeo.); FRUS, 1949, vol. VI, pp. 700–2, 708–9.

[7] SCOR, 4th year, Supplement for March 1949, pp. 7–8, S/1269; Special Supplement no. 3, S/1264/Rev. 1; Report on the work of the International Committee of the Red Cross for 1949, Geneva, p. 73.

ment of non-strategic supplies to the Turkish Cypriot enclaves except Kokki
The Turkish response to the continued blockade of Kokkina was to annou
that, because of the acute shortage of essential supplies, Turkey would m
emergency deliveries. If Greek Cypriots should interfere, Turkey would
'appropriate action' to defend its rights. The United Nations would be informe
the days on which deliveries would be made, and the UN Force would be allo
to check that no military supplies were being sent.[9]

U Thant maintained that while he would do all in his power to have the block
lifted, any plans to send in supplies 'must have the consent' of the Cyprus gov
ment. Attempts to send in supplies on any other basis could have dangerous
sequences. The Commander of the UN Force and a senior representative of
International Committee of the Red Cross visited the Kokkina area and, ha
satisfied themselves that relief supplies were genuinely needed, arranged for f
to be sent in by UN helicopters and clothing by UN land vehicles escorte
Greek Cypriot police. This humanitarian intervention ended the utility of
blockade from the Greek Cypriot point of view, and Makarios soon agreed to
the restrictions.[10]

Suez, 1973

Perhaps the most critical case of surrounded combatants occured in the Mi
East in October 1973, after the first UN cease-fire had entered into force. Presi
Sadat maintained that his Third Army Corps was cut off in Suez city only beca
Israel had violated the cease-fire and severed the main access route. One w
informed US source states that the Egyptian commander in Suez 'ignored spe
cease-fire orders from Cairo and attempted to break out of Israeli encirclem
and that Israel took full advantage of the Egyptian violation to extend its line
the west bank of the Suez Canal. But for Henry Kissinger the main issue was
who had committed the first violation of the cease-fire but whether Israel sh
be permitted to starve the beleaguered Egyptian forces into surrender. This
believed, would create a new and dangerous condition of instability: it was so
thing which neither of the super-powers could tolerate. 'Kissinger resolved tha
would stop the Israelis . . . and thus guarantee a military stalemate.'[11]

As pressure on the Egyptian Third Army increased, Sadat called for a j
US–Soviet force to police the cease-fire, and there were fears in Washington
the Soviet Union would indeed send military forces to the area. Dayan claims t
at some point during those critical three days, the United States threatened to s
food to the beleaguered Egyptians by helicopter, and there is reason to think

[8] Michael Harbottle, *The Impartial Soldier* (London: OUP for RIIA, 1970), p. 54; SC
19th year, Supplement for July to September 1964, pp. 183–5 (S/5897), 239–40 (S/5916), 3
329 (S/5950).

[9] *ibid.*, pp. 350–1, S/5954.

[10] *ibid.*, pp. 337–40 (S/5950/Add. 2), 367–70 (S/5961); 1147th mtg. (11 September 1964), p
35–6; Report on the work of the International Committee of the Red Cross for 1964, Ge
p. 17.

[11] Marvin and Bernard Kalb, *Kissinger* (Boston: Little, Brown, 1974), pp. 486–7; Willia
Quandt, *Decade of Decisions: American Policy Toward the Arab–Israeli Conflict, 1967–*
(Berkeley, Los Angeles/London: University of California Press, 1977), pp. 194–200.

Washington also intimated to Israel that arms deliveries would be stopped if the Egyptian Third Army was destroyed. The United States was no doubt anxious to forestall Soviet intervention, but Kissinger evidently believed that progress towards peace depended on an inconclusive result to the October war. Following a meeting between Egyptian and Israeli representatives at kilometre 101 on the Cairo–Suez road, arrangements were made to supply the Egyptian forces in the Suez area with food, water and medicine. Israeli officers and UN personnel were able to check that only non-military supplies were sent in.[11]

Approaches to a solution

It is evident that fighters who are stranded behind the enemy's lines when a cease-fire enters into effect face difficulties which they usually cannot overcome without external help. In the medium term, the problem of beleaguered combatants can often be solved by withdrawals of opposing forces or, more usually, by the evacuation of the encircled troops. It is in the short term that acute problems arise. This is because the period between a cease-fire and a truce or armistice is a twilight zone which is not dealt with in international conventions of general applicability. If the adverse party agrees, beleaguered combatants can withdraw to their own lines, but any attempt to withdraw in the face of military opposition is likely to lead to a breakdown of the cease-fire and possibly a major resumption of fighting. Moreover, combatants may be reluctant to withdraw if they are already on what they consider to be their own territory.

If beleaguered fighters are to remain in place when a cease-fire takes effect, various arrangements for the supply of basic necessities of life are conceivable: help from their own side or, in theory, from the opposing party; unilateral intervention by outside powers; or humanitarian assistance by the United Nations, a regional agency, the International Committee of the Red Cross or other non-governmental organizations. If third-party assistance is feasible, the other party will expect assurances that this will not be used to strengthen the military capability of the beleaguered forces.

Beleaguered fighters may be regarded as, in a sense, hostages of the surrounding forces. We could then ask whether principles which have been evolved for humanitarian assistance for hostages in other situations might be applicable in the case of surrounded combatants wishing to observe a cease-fire. Intervention for humanitarian purposes should be separated from the military or political interests of the parties. It should have only two purposes: to avoid unnecessary suffering of the surrounded combatants by meeting their basic needs, and to forestall measures

[11] *Jerusalem Post*, 20 December 1974, reporting a speech delivered by Dayan at Bar-Ilan University; Moshe Dayan, *Story of my life* (London: Weidenfeld and Nicolson, 1976), pp. 447–8; Golda Meir, *My Life* (London: Weidenfeld and Nicolson, 1975), p. 371; Abba Eban, *An Autobiography* (London: Weidenfeld and Nicolson, 1978), pp. 535–7; Matti Golan, *The Secret Conversations of Henry Kissinger—Step-by-step diplomacy in the Middle East* (New York: Quadrangle/New York Times Book Co., 1976), pp. 87–9; Edward R. F. Sheehan, *The Arabs, Israelis, and Kissinger: A Secret History of American Diplomacy in the Middle East* (New York: Reader's Digest Press, 1976), pp. 36–7; Mohamed Heikal, *The Road to Ramadan* (London: Collins/New York: Quadrangle/New York Times Book Co., 1975), pp. 250–2; SCOR, 28th year, Supplement for October to December 1973, p. 98, S/11056/Add. 3.

of military self-help which would endanger the cease-fire and world peace. The following principles are based on those which have guided the International Committee of the Red Cross when, as an exceptional measure, it has come to the aid of hostages in time of peace. These principles would accord with the resolution adopted at the International Red Cross Conference in Istanbul, which envisaged the Red Cross movement acting both to resolve humanitarian problems and in the cause of peace.[13]

(i) That the cause of peace and interest of the victims call for the intervention of a humanitarian organization;

(ii) That no other solution is in sight;

(iii) That the party to which the surrounded combatants belong makes the request for help, and that the opposing party agrees;

(iv) That all the parties confirm their intention of respecting the cease-fire and agree not to threaten or use force during the relief operation and not to obstruct the freedom of action and freedom of movement of the humanitarian organization;

(v) That the parties undertake to respect in all circumstances the emblem of the humanitarian organization and its vehicles and personnel, which shall be unarmed;

(vi) That the humanitarian organization has the exclusive responsibility to choose and supervise personnel for the operation, taking fully into account the views of the parties.

While such principles would have to be applied pragmatically, it would be useful if the International Committee of the Red Cross or an organ of the United Nations were to draft some model rules to provide guidance for cases of this kind in the future. These model rules would have to provide for the dispatch of the basic necessities of life (water, food, medicines) by aircraft (helicopters or parachute drop), ships, or land vehicles, under the auspices of an impartial humanitarian organization, for an interim period.

There would be many difficulties in drafting model rules and adapting them to particular situations. Which are the 'basic necessities of life'? Is any guidance on this question to be found in Article 54 of the new Additional Protocol I to the Geneva Conventions, relating to objects indispensable to survival?[14] Will the party whose forces are surrounded be willing to reveal how many combatants are beleaguered, so that essential needs can be quantified? Should the opposing party have the right to inspect cargoes? If fighting should be resumed, will the humanitarian organization be accused of improving the fighting capability of one of the parties? Can an impartial agency call on sufficient supplies and means of transport at short notice?

The legal and practical difficulties are considerable, but without the guidance of model rules, it is possible that a future cease-fire will collapse when combatants attempt to break through the forces encircling them. This can be avoided only if appropriate procedures are known in advance, are seen to be fair, and would be applied if it were the other party whose forces were surrounded.

[13] Resolution XXI, September 1969. [14] UN doc. A/32/144, 15 August 1977 (mimeo.).

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CHATHAM HOUSE

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Security in the Gulf[1]: a strategy of pre-emption

VALERIE YORKE

THE abortive US attempt in April to rescue the American hostages in Tehran represented another in a series of US foreign policy setbacks in the view of Gulf rulers. It also contributed to their growing sense of vulnerability by casting doubt on the credibility of American policy and the military competence of the United States. The very launching of an operation so fraught with danger demonstrated the readiness of Washington to take military action that could produce opportunities in Iran for the Soviet Union or, worse still, destabilize the Gulf.

Yet, from a Gulf perspective, the United States' action paradoxically may have helped to defuse tensions in the long term. The protracted hostage crisis, including the failed rescue attempt, has forced the international community to act. Although apparently unprepared, the West Europeans have tried to turn the American mission to their advantage. In return for implementing economic sanctions against Iran, albeit less tough than those Washington had hoped for, and rallying to the support of their ally, the EC countries aim to exercise restraint over the US by pressing for improved consultation with it. They have already indicated their opposition to military action against Iran because this would be counter-productive. The United Nations Secretary-General is working for a resumption of the work of the UN Commission of Inquiry. For their part, the Gulf states are shaken by what they feel is the 'blinkered' approach of the Americans to Iran and the dangerous repercussions this could have on regional stability. They have therefore stepped up attempts to resolve the Iranian-American crisis as demonstrated by the Saudis' apparent willingness to mediate for the hostages' release and the appeal to Tehran by the Islamic Conference of Foreign Ministers (meeting in May) to find a solution to the crisis.[2]

Such diplomacy aimed at forestalling any escalation of tensions and keeping the super-powers out of the area represents a continuation of a pattern which emerged during 1979. Iran's revolution increased the Gulf states' sense of vulnerability

[1] Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates (UAE) and the Sultanate of Oman will be referred to as the Gulf states. They have a community of interests and important historical ties. Their indigenous populations are almost entirely Arab and predominantly of the Sunni Muslim sect. While Iraq and Iran have Gulf coastlines, they will be treated not as Gulf states but as actors within the Middle East affecting developments in and between Gulf states. This is because Iraq'a indigenous population includes large minorities such as the Kurds and Armenians and its religion is predominantly Shia. Iran is not an Arab country (though it has a large Arab minority) and its dominant faith is Shia.

[2] *Financial Times*, 1 and 25 May 1980.

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and the March 1979 Egypt–Israel Treaty divided the Arab world. As a consequence, Gulf rulers felt constrained to adjust priorities and policies to cope with the domestic strains that rapid modernization has brought about. But the forces at work in the region raise serious doubts as to whether traditional rulers will be able to contain such tensions by changing the character of their countries' development. If they fail, then they may be replaced by leaders who, though they might not turn to Moscow, might be less friendly to the West. If they do adjust, the nationalist policies they will feel compelled to adopt in the interest of the survival of their regimes will involve further strain in relations with the West.

The 'external' threat

In their forceful condemnation of the Soviet invasion of Afghanistan, first the United States, and then the Gulf rulers at the Islamic Foreign Ministers' conference in Islamabad last January, demonstrated how strong is their shared interest in countering Soviet aggression in the area: for the invasion emphasized the existence of an external Soviet threat to the region and Moscow's readiness to use military power against a Muslim state in pursuit of its interests. It also raised the question of how the United States intended to respond to this Soviet action and to contain future expansion. However, because the US response in the shape of the Carter Doctrine[3] has taken the form of a more visible military presence that could exacerbate regional and indigenous tensions, Afghanistan has sharpened, not diminished, the dilemma facing the Gulf states since the downfall of the Shah—that of relying on the US for their ultimate security while not wanting to appear to do so.

After the Shah's 'pro-Western' regime was replaced by a non-aligned Islamic one, Iran abandoned its role as 'regional policeman' and left the Gulf states feeling more exposed. Iran's internal tensions are seen potentially to facilitate the Soviet Union's attempts to improve its access to the Gulf during the 1980s. With the Soviet invasion removing Afghanistan as a buffer state, the Russians are nearer the Gulf and the West's essential oil supplies than before. As a consequence, the Gulf states are increasingly nervous about growing Soviet influence on the periphery of the Arabian Peninsula (the Horn of Africa, South Yemen and Afghanistan), and they worry about the present decline of the West's political influence in the area. It is in this sense that they welcome, albeit privately, their American protector's new determination to make clear its support for its traditional allies.

However, the Soviet threat is considered the least imminent of the dangers they face. The fact is that the Soviet action has not reversed their own people's growing disenchantment with the West or much qualified the anti-American mood. Partly because of the anti-Western turn that Islamic militancy in the region has assumed, partly because of the unresolved Arab-Israeli dispute and US sponsorship of the unpopular Camp David process, the conservative Gulf rulers, with the exception

[3] For the text of President Carter's State of the Union address to Congress in which he outlines the Doctrine relating to US readiness to use military force if necessary to protect US vital interests in the Gulf, see *The Times*, 25 January 1980.

of Oman, cannot afford the political risks of co-operating too closely (at least publicly) with their American protector to counter the Soviet threat.[4]

This ambivalence stems from the fact that the 'American connexion', particularly in its military form, has become something of a political liability. Gulf rulers want to discourage the United States from overreacting to local political developments and from taking counter-productive measures, which could trigger unpredictable regional and internal disruptions and lead to Russian involvement. Furthermore, after the American inability or unwillingness to save the Shah, the fear is that the US would not help conservative rulers, the probable victims of these crises, unless Western interests were at stake. Lastly, the House of Saud and the Gulf Emirs know that in certain circumstances they might have to become 'difficult allies' by implementing selective embargoes or production cuts etc., and that the US might then use those forces recently deployed in the region to 'invade' friendly states in order to protect Western oil supplies from disruption. Simply put, the Gulf rulers depend on the United States as an ally and protector, but also see it as a threat.

Regional and internal threats

For the Gulf states, the more plausible and immediate danger, and one which US policies could exacerbate, derives from the potentially unsettling interplay between the unresolved Palestinian question and Islamic policies on the one hand and the internal sources of tension arising from rapid oil-based development on the other. Today, as a result of the polarization of the Arab world after the 1979 Egypt–Israel Treaty and the 'demonstration effect' of Iran's revolution, the likelihood of destabilizing interaction has increased.

The continuing Arab-Israeli dispute is considered the main threat to the security of the region by such states as Syria and Iraq. It provides opportunities to Moscow for increasing its influence as a diplomatic counter for, and a material backer of, radical states and the Palestine Liberation Organization (PLO).[5] For instance, with most of the Arab world opposing the Camp David accords, members of the Steadfastness Front (Libya, Syria, South Yemen, Algeria and the PLO) have felt encouraged to harden their own radical posture. Divisions in the Arab world also increase the likelihood of radical subversion in the Arabian Peninsula and attempts to exploit the grievances arising from the economic and social distortions in rapidly modernizing Arabian societies. As a consequence, therefore, of what is seen as American support for Israeli occupation of Arab territory, the more moderate Arab states have been inhibited from aligning too closely with the West

[4] So reluctant are Gulf rulers to risk the political consequences of permitting the US to use their defence facilities that only Oman has reached agreement on US temporary use of refuelling and storage facilities on Masirah Island. Saudi Arabia will not permit its facilities to be used. Bahrain may cancel the agreement which allows the US Navy to use the former British naval base on the island. *Financial Times*, 15 January 1980. *Dawn* (Karachi), 17 November and 1 December 1979.

[5] The Russians are reported to have supplied Syria in the last year with MiG-25s, Sukhoi 22s, and at least 100 new T 72s. *The Military Balance* (London: IISS, 1979–80). For the Russian commitment to help Syria and the Palestinians by every possible means to end Israeli occupation of Arab territory, see *The Financial Times*, 29 January 1980.

for fear of losing their political influence in the Arab world. The confidence of large numbers of influential Palestinians and Arab radicals around the Gulf has been boosted by, and out of all proportion with, Iran's post-revolutionary support for the Palestinians. In reinforcing the link between Islam and the Palestinian cause, this support has made it less desirable for moderate Arab countries to pursue policies which might be interpreted as 'un-Islamic' or 'un-Arab'.

The possible consequences for the Gulf of the current strength of Islamic identity should not be underestimated. Political Islam (Pan-Shia or Pan-Islamic) has made conservative Gulf rulers nervous on account of their vulnerability to internal tensions and dissent. The soft spots are obvious ones:

(i) Political development has lagged behind economic and social development. The ruling families of Saudi Arabia and the Gulf states, with the exception of Oman, are, in theory, accessible on a regular basis to the public through the *Majlis* —meetings between the ruler and the ruled. However, while useful for channelling some individual grievances, the *Majlis* permits no direct popular participation in government and falls dangerously short of growing political expectations, particularly in Saudi Arabia.

(ii) Economic and social inequalities have produced pockets of discontent throughout Arabian society. Disturbances last November in Saihat and Qatif amongst Saudi Arabia's 400,000-strong Shia community were more serious than those in Bahrain (55 per cent Shia), Kuwait and Dubai earlier in the year. They reflected both the increased confidence of Shias after Iran and their resentment at what is felt to be 'second-class citizenship'.

(iii) On account of their small indigenous populations, all Gulf states have large numbers of oriental and Northern Arab expatriate workers to meet their development needs. And because expatriates tend to stay, indigenous populations are becoming daily a smaller minority (but in Saudi Arabia, Oman and Bahrain smaller majorities) in their own countries. Over 75 per cent of the populations of Qatar and the UAE are now foreign. The concern is that immigrants, as second-class citizens, could become discontented and politically volatile, providing a dangerous catalyst in societies that are already under strain.

(iv) All Gulf states, but particularly Saudi Arabia, whose society is distinguished from other Gulf states by wider gaps in terms of wealth and privileges between strata of society, suffer from an unequal distribution of wealth. The use of public office for private gain, though common practice in the Gulf, incurs resentment when it becomes excessive as in Saudi Arabia. The increased participation of ruling families in business, arbitrary contract awards and inflated budget allocations are further bones of contention. Consequently, tensions have developed within ruling élites, between ruling élites and the merchants, and, sometimes, the people.

(v) Lastly, while all Gulf states are pro-Western by inclination and have a stake in the West's economic and political wealth, the current climate of opinion, local and regional, has given Gulf rulers an incentive to distance themselves from their strong Western ties.

Regional dangers have grown more acute in the last few months. There has been further disintegration in Iran and an escalated attempt by its weak government to 'export the revolution' to Iraq in a bid to restore national unity. The Iraqi-Iranian crisis and the related assassination attempt on Iran's Foreign Minister, Mr Gotbzadeh, demonstrate how cleavages within Islam threaten to sharpen disagreements between the Arab Gulf and non-Arab Iran. But Iranian-Iraqi quarrels have not inhibited the strengthening of Islamic solidarity now under way. The siege of the Grand Mosque in Mecca and the coincidental Shia violence in the Eastern oil province were dealt with, but further Islamic militancy could infect Shia communities in Kuwait, Bahrain and the UAE, then spread to sympathetic Northern Arabs and incite other less privileged foreigners. The popular mood for a purer form of Islam might thus become a vehicle for wide opposition to development and an indigenous anti-materialist and anti-Western feeling. A major concern is that hostilities on the West Bank might spiral out of control now that the period set aside at Camp David for the negotiation of the 'powers and responsibilities' of the self-governing authority for the West Bank and Gaza has expired. This combined with the US rescue operation, roundly criticized by most countries in the region as unacceptable outside intervention, and the tightening grip of sanctions against a Muslim state has united the Islamic world against US policies. In such a climate, the desire to reject the Western-orientated policies and the Western connexions of the conservative Gulf regimes is likely to grow.

It is generally agreed that the Arab Gulf states are not the same as Iran. They are unlikely for a number of reasons (small populations, the absence, until recently, of unemployment, close ties between the rulers and ruled and between the rulers and the Mosque) to experience revolutions of the Iranian type. None the less, partly as a result of Iran's revolution, its possible demonstrative effect and the lessons derived from it, partly as a result of unrest in the Gulf states, particularly after last November's siege of the Grand Mosque at Mecca, which shook the confidence of the House of Saud and its neighbours, Gulf rulers have feared internal instability in their own countries. They have therefore found it necessary to take out an insurance policy, i.e. to strengthen a number of 'safety valves' by adjusting foreign and domestic policies. The intention is to *pre-empt* regional and indigenous disturbances occurring which would both threaten the survival of existing regimes and offer opportunities to Moscow.

Gulf reactions: the Arab-Israeli conflict

The Gulf states found it prudent to join the anti-Sadat opposition once the 1979 Egypt–Israel Treaty had been signed. This was not just because, in the view of the Gulf rulers, the treaty was tantamount to a separate peace and held out no hope of a comprehensive settlement. It was also because solidarity with the Palestinian cause is important to their relations with the Arab and Islamic worlds. Saudi Arabia has wanted both to keep intact its moderating influence over its more radical Arab neighbours, thereby preventing extremist policies emerging, and to maintain its leadership of the Arab world against strong competition from Iraq.

The dilemma of the oil-rich states needs no underlining. It is quite possible that

in a fifth Arab-Israeli war the oil fields will be at risk.[6] Yet, they might also be at risk in the current situation with no progress towards settlement of the Palestinian issue. Just as senior PLO officials have offered to 'protect' Arab oil-wells against military intervention, the possibility of Palestinians blowing up these wells out of pure frustration or if the conservative rulers step out of line is a real one. Saudi Arabia cannot alienate the Arab or Islamic worlds lest it compromise the legitimacy of the regime which is based on its status as the Guardian of the Holy Place. Nor can it risk isolating itself by opposing the radical Arabs, who could intensify revolutionary activities throughout the Peninsula. So, while the Gulf rulers have an incentive to dissociate themselves from unpopular US policies on the Arab-Israeli dispute, they also believe that delay in reaching a comprehensive peace is extremely dangerous; escalating violence on the West Bank could provide a focus for disturbances amongst Palestinians and their sympathizers in the Gulf and erode the stability of their regimes. The need for a peaceful settlement has arguably become the more urgent as the Camp David autonomy talks are seen to have run into the ground. Arab leaders have therefore encouraged Western Europe to intensify its Middle-East diplomacy.[7]

Security

Because of the new uncertainty about the United State's dependability as an ally and its ability to understand the Gulf rulers' own domestic difficulties in the current anti-American climate, Gulf states have sought to distance themselves from an American presence in the area, particularly when this takes a military form.[8] This caution is especially true of Saudi Arabia. (However, while reluctant to risk the political consequences of permitting the Americans to use defence facilities on its territory, Saudi Arabia may welcome—privately—the arrangement concluded in February between the US and Oman which will permit US forces to use facilities on Masirah Island.)

More importantly, the Gulf states have strengthened co-operation on security, political and economic[9] matters amongst themselves. At the inter-Arab level, Saudi Arabia and Iraq have agreed on a mutual security pact.[10] and the UAE and Oman have gone a long way towards resolving their border dispute in order to reduce tensions. In addition, the Gulf states have agreed to share intelligence

[6] Israel has warned that it has developed a strike force capable of hitting potential enemies as far from Israel as Kuwait, Libya and Saudi Arabia. *Jerusalem Post International Edition*, 16 November 1976.

[7] King Hussein has renewed his call for the EC to launch a peace initiative and unveil plans for an amendment to UN Security Council Resolution 242 which would recognize Palestinian rights; *The Times*, 25 April 1980. For an Arab League view, see *Le Monde*, 7 December 1979. For favourable Arab reactions to President Giscard d'Estaing's position on the Palestinians and an European initiative, see *ibid.*, 5, 6, 7 March 1980 and *The Guardian*, 13 March 1980.

[8] The Gulf states, with the exception of Oman, are committed to keeping the super-powers out of the region. This view was reiterated in a resolution passed at the January Islamic Conference in Islamabad. *International Herald Tribune*, 30 January 1980.

[9] At the economic level, Saudi and other Gulf Planning Ministers agreed in July 1979 a programme of industrial consultation which is designed to help limit unsettling competition between themselves.

[10] See *Le Monde*, 16 March and 6 April 1979. For discussion of the steps in the Saudi-Iraqi rapprochement, see *The Guardian*, 28 February 1979; *Financial Times*, 26 November 1979.

information. The Saudi manœuvres at Khamis Mushait, attended by all but Oman of the Gulf states, indicated Saudi concern to encourage greater co-ordination in security matters and an appreciation by the smaller Gulf states of that concern. In a show of Arab solidarity against Iran, and nervous lest Iran interfere in the internal affairs of those states with large Shia populations, Iraq, Kuwait and Saudi Arabia have given reassurances to Bahrain in the face of unofficial Iranian annexationist threats.[11] Similarly, although Arab Gulf states privately criticize Iraq for allowing disagreements with Iran to escalate, they would support Iraq if it went to war with Iran.[12]

However, the policy of the Gulf states is also to improve relations with their Iranian neighbour. In the name of Islamic solidarity, Kuwait and the UAE have called on Iraq and Iran to smooth over their differences. Other Gulf states can also be expected to seek a new modus vivendi with Iran and to exert stronger leverage to resolve the hostage crisis through diplomatic means. The fear is that an Iraqi-Iranian clash or an American naval blockade against Iran would trigger outside intervention and war.

It is difficult to see how the Gulf states will meet the various threats they face and reconcile their different approaches. Despite its arms purchases, Saudi Arabia is not capable of fulfilling the role of the Gulf's gendarme. Most of the states are against alliances with outsiders because of the importance attached to being, and being seen to be, totally independent, and because of the danger of provoking super-power interference. They are reluctant to get involved in a formal Gulf security arrangement partly because no Gulf state wants its neighbour to have a more important role than itself and partly because of differing perceptions of what this means. Last spring's cease-fire between the Yemens suggests that one way of dealing with crises might be to seek Western support for regional co-operation: for instance, the Gulf states might combine American or other Western material help with Arab League diplomacy, as they did for the Yemeni cease-fire, provided Saudi Arabia remains on good terms with Iraq. A prerequisite for, although not a guarantee of, successful and regular co-operation between the conservative states and radical Iraq and for publicly seeking Western support to counter the Soviet threat to the Gulf and the West's vital interests in this region will be a resolution of the Palestinian question.

However, after the American rescue mission, US–Gulf relations are in a state of crisis. The result may be ultimately to reinforce the trend amongst Gulf states to seek cover in non-alignment. Thus Islamic solidarity produced both a unanimous declaration against outside interference at the Islamic Conference in Islamabad last January and wide condemnation of sanctions against Iran this May (not least because they set a disturbing precedent). This is because the Gulf states believe

[11] Bahrain's Information Minister has denied approaching any country for military aid. *Financial Times*, 2 October 1979.

[12] Formal co-operation on security between the Gulf states and Iraq has always been difficult because of uncertainties regarding intentions. The idea of a Gulf Security Pact foundered at a meeting in Muscat in 1976. After events in Iran, Iraq is less willing to isolate itself from the conservative rulers. It prefers to pay attention to shared security interests and has every incentive to become involved with the Gulf rulers' new regional efforts and to consolidate its rapprochement with the Saudis.

that their security is best protected by keeping the Gulf free of the super-powers. With the United States apparently an increasingly unpredictable guarantor of last resort, there is an incentive to resist Soviet adventurism either by adopting a firmer non-aligned posture or by reaching accommodation with the Soviet Union.

Internal policy

In the area of internal policy, the objectives of Saudi and Gulf rulers have been twofold. First has been the desire to strengthen 'safety valves'—outlets for discontent and means of accommodating growing economic and political aspirations arising from rapid development. For instance, after the siege of the Grand Mosque at Mecca, there has been talk of permitting greater political participation. The legislative assemblies in Kuwait and Bahrain are likely to be reopened and the Consultative Council in Saudi Arabia refurbished.[13] In Saudi Arabia, efforts will be made to improve the second-class status of the Shias in the Eastern oil province. And, following the events of 1979, Gulf rulers have every incentive—political, economic, financial and technical—to slow development and thus cut back oil production to levels more in keeping with domestic needs. Perhaps most important of these is the desire to improve the chances of orderly economic and social change. The second objective of the ruling families will be to insist on closer observance of the tenets of Islam. The House of Saud is apparently concerned to improve the Islamic image both of itself and of the kingdom, and to intensify the campaign against corruption the extent of which has made the ruling family an obvious target for revolutionaries and religious reformists alike.

The crux of the matter is whether Saudi Arabia (and other Gulf states) will be able to achieve a balance between slowing the rate of modernization so as not to impose intolerable strains on the social fabric of the kingdom, responding in time to requests for political liberalization and making the necessary gestures to the religious *ulema* and traditionalists. Much will depend on how deep are the various grievances and whether the ruling families will be able to cope with them before it is too late.

Oil policies

The US inability to extract concessions from Israel at the negotiating table and Saudi Arabia's difficulty in reconciling its identity as an Islamic state and its commitment to the Palestinians with close ties to the United States have always threatened to undermine their 'special relationship'.[14] In the Saudi view, the relationship has become a disadvantageous 'one-way' street after Iran's upheavals. US-Saudi relations will undoubtedly still be special, but they have undergone a 'sea change', which is likely to be felt most dramatically through the oil market.

[13] For a discussion of political liberalization and other domestic policies of the Gulf states, see Valerie Yorke, *The Gulf in the 1980s*, Chatham House Paper (London: RIIA, Spring 1980).

[14] Since 1973, the US has counted on Saudi Arabia to play a moderating role within OPEC on oil prices and to lift more oil than Saudi development needs required. As a quid pro quo, the Saudis have looked to the US to provide weaponry, guarantee their security and press Israel for concessions for a comprehensive peace.

Because of the new priority given to pre-emptive diplomacy, and by contrast with the 1974–8 period, Saudi Arabia and other Gulf producers are unlikely to be able to reconcile a continued sensitivity to the West's oil needs with their own interest in the survival of their regimes. The tension will be resolved at the expense of the West. On 1 April 1980 Kuwait cut production by 25 per cent to 1·5 m. b/d; by the end of the year Saudi Arabia can be expected to cut back to its official ceiling of 8·5 m. b/d and the UAE by several hundred thousand barrels. This trend towards limiting production reflects concern at the adverse consequences of rapid modernization and the limited absorptive capacities of such states as Kuwait, the growing disillusion of Arab oil producers in their economic relations with the West (relating to Western recession and inflation, which have eroded the purchasing power of the dollar and the value of Arab investments and led to deteriorating terms of trade), and increasing attention to oil conservation for future generations: the Young Turks in the UAE who favour more federal planning and Gulf-wide co-ordination of economic development have their counterparts in Riyadh's Ministries. Even were Saudi Arabia willing to cushion the West against serious disruption, its ability to supply oil at the rate at which the West says it needs it has been seriously eroded by technical factors. According to the best estimates available, Saudi Arabia—now operating at around 9·5 m. b/d (one million b/d above its ceiling to help offset the cutback in Iran)—is at or is approaching maximum sustainable capacity, which is almost certainly not above 10·5 million b/d.[15]

For the West, the essence of this second 'energy crisis' is that political decisions could prove as effective as political upheavals in producing shortfalls in the supply of oil. With oil producers in a position to 'play' the market for economic and political goals, the US and its allies cannot assume that they will have first claim on (or receive the same relative share of) Gulf oil exports as in the past by the mid-1980s. In this context, it must be assumed that the Soviet Union will have a growing need for Middle-East oil. In future, in exchange for selling oil to the West, oil exporters will seek protection for their surplus revenues abroad, more generous transfer of technology, etc. They will use increasingly government-to-government deals to demand 'preferential terms' in a range of transactions, such as 'oil for trade' swaps, and to attempt to nudge the European Community and its members collectively and individually towards recognition of the PLO.

With the policies outlined above the leaders of the moderate Gulf states have undermined optimism in the West that they can be relied upon not to obstruct US peace diplomacy, with which they are increasingly irritated, and not to adjust oil production in such a way as to make life uncomfortable for the West. Conservative oil producers and radical Iraq alike will place increasing emphasis on keeping their oil for future generations. They may no longer be politically willing, let alone able, to produce oil at the rate the West says it needs it nor willing to absorb imports at the rate at which the West wants to export. Thus the West's future economic security may be jeopardized not only by unpredictable domestic and regional upheavals (and these remain a real possibility) but also by the substituting of more nationalist policies for 'pro-Western' ones by the existing regimes.

[15] *Petroleum Intelligence Weekly*, 7 April 1980.

Western policy choices

The starting-point for the West in developing an effective, coherent response to these more nationalist policies must be a recognition of the general nervousness in the Gulf, the pre-emptive nature of the Gulf rulers' reactions to sources of tension and the fact that their current policies, however antagonistic they may appear in the short term, are preferable to those likely to emerge from alternative regimes more hostile to the West.

Because of the contradictory requirements of Gulf regimes when it comes to association with the West on security matters, there are no easy steps the West can take. What then can be done? Unless Western countries prove themselves as dependable and militarily competent allies, Gulf rulers will have a growing interest in reaching accommodation with the Soviet Union. At the same time, Western countries will need to respect the Gulf rulers' fears about a conspicuous Western military presence in the area—and that includes economic and military sanctions against Iran. Whilst Western Europe must be sensitive to the desire of the United States to reassert itself, it will also want to encourage Washington to avoid policies which, because they are embarrassingly obtrusive for local regimes, are fraught with political risk. This said, Afghanistan has demonstrated the existence of a potential Soviet threat and the West will need to support the Gulf states' efforts to protect themselves and be willing and prepared to provide the military assistance expected, but within parameters acceptable both to the West and the Gulf rulers. Western countries should, however, beware of providing massive quantities of weaponry to regimes which may one day be rejected by their own populations.

There is a close link between the state of the Arab-Israeli dispute and the internal stability of the Gulf states. The West should understand the apparent equivocation of Gulf rulers towards Western diplomacy, particularly when this is seen to fall short of Arab requirements on the Palestinians. They are not in a position to co-operate with the West, specifically the United States, in resisting potential Soviet advances in the region for as long as the West is identified with policies that divide the Arab world, because this would undermine their positions at home. The urgency for a solution to the Arab-Israeli dispute, which may now be the one course of action that would remove the dangerous tensions between the West and the Arab and Islamic worlds threatening the West's oil supplies and trade, cannot be stressed too much. The price of not moving on this issue may be to precipitate the slide of the Gulf states towards non-alignment.

The time therefore is ripe for the West Europeans to follow up their initiative publicly inaugurated at the Venice meeting of EC Heads of Government in June. On the one hand, the EC's commitment to UN Security Council Resolutions 242 and 338 and thus to Israel's legitimate right to exist (though not to be an occupying power) within 'secure and recognized borders' is unshakeable. On the other hand, the EC has qualified its support for the Egypt-Israel Treaty as a step towards a comprehensive peace with the need to preserve good relations with all the divided Arab world. With the expiry of the deadline for talks on Palestinian autonomy on 26 May, the West European initiative to break the deadlock by seeking to associate the PLO in negotiations offers a useful way forward. Violence has already

erupted on the West Bank and hostilities threaten to escalate in a region that supplies around 60 per cent of the EC's total oil needs. There is thus an important incentive for the West Europeans to try to bridge the gap between the Israelis and Palestinians both to prevent frustrations spiralling out of control on the West Bank and to boost the moderates in the Palestinian camp in preparation for peace-making in 1981. The EC Venice declaration affirming the right of Palestinians to self-determination and reiterating Israel's right to secure and recognized borders[16] will contribute to this end and will serve, not work against, the interest of the Western Alliance and in particular the United States. If, as a consequence, a third party were to introduce a draft resolution into the Security Council along the lines of the EC statement (thereby 'supplementing' Resolution 242), the moment would have come for the West Europeans to support it, despite the tensions with Washington this would involve.

On oil, the challenge to the West lies in formulating joint energy conservation policies and increasing efficiency in the use of oil in order to decrease politically risky Western import dependence. Rather than apply pressure to compel Gulf rulers to expand production which would run counter to the conservationist trend in the area and which they would do at risk to themselves, the West might consider a range of incentives (protection for surplus revenues in the West, easier access to markets for hydrocarbon-based products) to discourage them from cutting oil production further.

Envol

Confused political relations between the West and regional oil producers combined with tight oil supplies (despite the present 'mini-glut') make politicization of the oil market inevitable. With the growing trend towards government-to-government deals, Western countries may be set on a course of competitive bidding, increasing the potential for a serious disagreement between the US and Western Europe, and between West Europeans, over oil and Middle-East policies. Short-term economic interest may have impelled West European states towards divisive nationalistic approaches which could undermine the long-term interest of the industrialized world. West Europeans should refrain from this course in the interest of the cohesion of the Western alliance, as they have done by supporting their American ally on the issue of sanctions against Iran. But, in return, they should expect a greater degree of consultation with the United States on policies towards the Arab-Israeli dispute, the Gulf and Iran than has hitherto been the case.

Another point arising from the strategic importance of this area and Western policies towards it concerns future super-power relations. It can probably be assumed that the Soviet Union will need access to Middle-East oil during the 1980s. Even were the Arab-Israeli dispute to be resolved, it can probably also be assumed that conservative Gulf states (in an attempt to protect themselves) will continue to avoid too close an identification with the West. They may even seek a modus vivendi with the Russians. Moreover, the invasion of Afghanistan and the hostages incident have demonstrated that, while the risks of miscalculation or misunder-

[16] For text see *The Times*, 14 June 1980.

standing by either super-power are high, the super-powers lack adequate and agreed rules to manage crises in the Gulf region. Yet, the Soviet invasion and the Iranian-American crisis may arguably have brought about a greater understanding by the super-powers of each other's interests in the area and their mutual limits of tolerance. If dangerous super-power competition is to be avoided, it may well be that the West should now attempt with the Soviet Union to evolve a set of 'agreed ground rules' concerning behaviour towards this vital region.[17]

[17] For a discussion of a code of behaviour for the super-powers in the Middle East, see D. Astor and Valerie Yorke, *Peace in the Middle East: Super Powers and Security Guarantees* (London: Corgi Books, 1978).

Soviet intervention in Afghanistan

RICHARD S. NEWELL

AT the end of 1979, turmoil in Afghanistan suddenly took on global implications. For the first time the Soviet Union invaded a Third World nation. The assault sent shock waves throughout the world community all but demolishing détente. The repercussions for Afghanistan's Muslim neighbours were especially alarming. The results of the Russian move are being shaped by the reasons behind the decision to invade, the tenacity of Afghan resistance and the reactions of the international community. This article focuses on Soviet motives and Afghan responses to the intervention.

Hafizullah Amin had gained unrivalled control over the Khalq regime in the aftermath of Nur Muhammad Taraki's abortive attempt to eliminate him in mid-September 1979. His triumph was to prove temporary: he faced dangers which would overwhelm him three months later. Popular resistance restricted his control of Afghanistan essentially to the cities. Without control over the population, his government was unable to lay a basis for a Marxist society through military conscription and educational indoctrination.

The Russians were a more immediate danger. His seizure of power had brought their hostility clearly into the open. They offered protection to Colonel Muhammad Aslam Watanjar, and other military heroes of the 'revolution' who had been aligned with Taraki. Many army units were under the influence of their Soviet military advisers. Amin was caught in between. Insurgent pressure forced him to rely increasingly upon Soviet help. By mid-December as many as 10,000 armed Russians were in Afghanistan as either advisers or members of special force units.[1]

[1] Bernard Gwertzman, *New York Times*, 27 December 1979.

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Soviet patience with Amin had worn thin. On 6 October, his Foreign Minister, Shah Wali, complained to the Eastern bloc ambassadors accredited to Kabul that the Russians had been involved in Taraki's attempt to remove Amin.[2] The replacement of the Russian Ambassador, Alexander Pusanov, was demanded. Moscow complied with the appointment of Fikryat Tabeyev, a senior Communist Party member, early in November, but senior members of the embassy's staff were retained in Kabul.[3] This move made little difference. The Russians had earlier dispatched General Ivan Pavlovsky, a Deputy Defence Minister, to assess the danger posed by the Afghan resistance. His report was pessimistic about the Kabul government's chances of survival,[4] and he argued that the Soviet Army could quickly restore order.[5]

In December, the Russians prepared for a military intervention. Amin objected, recognizing that he could then be easily removed. The disagreement degenerated into violence. What happened remains shrouded by conflicting reports circulated in the Kabul diplomatic community. General Viktor S. Paputin, a senior Soviet police official, was responsible for either getting Amin to accept military intervention or removing him. In mid-December negotiations failed and Amin dug in against the Russians. All accounts agree that on 19 December he vacated the Presidential Palace near the centre of Kabul and took up a defensive position with his élite guard at the Darulaman Palace six miles south of the city. Some accounts claim that by this time there had been a shoot-out between Paputin and Assadullah Amin, head of the Afghan Secret Police and nephew and son-in-law to the President. Paputin appears to have been mortally wounded; the Soviet press announced his death a few days after the invasion. Whenever Paputin was shot, the act doomed Amin and his regime. A Soviet airborne unit in place at the Kabul airport on 25 December assaulted the Darulaman Palace on the 27th killing Amin and a number of his closest aides.[6]

On the same day, six Russian divisions crossed the Afghan border and lumbered south by armoured personnel carrier and lorry along the paved roads which the Russians had helped the Afghans build in the 1950s and 1960s. Several days earlier, paratroops had been landed at Afghan airbases to assure their control before Amin's units could react. An airborne division which had landed at Begram, 50 miles north of Kabul, secured control over the strategically vital Salang Pass tunnel commanding the main north–south highway.[7] Confused by a variety of ruses and the suddenness of the Soviet moves, the Afghan army as a whole offered little resistance, although some units near Herat, Kabul and Jalalabad held out for several days. Within four days of the invasion, Soviet forces were effectively in control of Afghanistan's major cities, airports, military bases and the roads between them.

[2] *The Economist*, 3 November 1979, p. 53. [3] *ibid.*, 17 November 1979, p. 68.
[4] David Binder, *New York Times*, 1 January 1980.
[5] *New York Times*, 14 January 1980.
[6] *ibid.*, 4 January 1980. The newspaper published Soviet press reports of Paputin's death as occurring on 29 December in Moscow. Later it reported that American intelligence analysts connected Paputin's death with the Soviet effort to get rid of Amin, but were unable to reconcile divergent versions of the events. *ibid.*, 4 February 1980.
[7] David Binder, *New York Times*, 1 January 1980.

Soviet motives

While a definitive account of the process that led the Kremlin leadership to invade Afghanistan may never be written, it is clear that the Russians confronted numerous factors—global, Asian, regional and domestic—which affected their decision. Possible American retaliation and the fate of détente were obvious deterrents, as was the uncertainty of the attitudes of major Asian states, especially India, Iran and China. Muslim responses were certain to be negative, but their impact could be partially discounted by the instability and shifting rivalries within the Middle East. An invasion might also have a serious effect upon the benefits the Soviet Union enjoyed from trade with the Nato nations.

General global revulsion could be anticipated at the murder of the leader of a universally accredited government that presented no external threat. Only the already committed could accept the Russians' argument that they had acted according to their Friendship Treaty with Afghanistan. Its leader was dead because he had refused entry to the Soviet troops who killed him.

Perhaps the most painful cost for the Soviet Union has been the hostility and suspicion aroused among non-aligned nations which accounted for the overwhelming margin of condemnation in the 14 January resolution passed by the General Assembly of the United Nations: 104–18 with 18 abstentions. In view of a number of options which could have maintained Soviet interests in Afghanistan while avoiding the costs of invasion, the reasons for the decision to invade remain perplexing. One alternative would have been to continue the existing level of support to Amin through the winter and perhaps beyond. If his government had collapsed through an internal coup, or by being overrun by the resistance, the resulting anarchy would have given the Russians ample opportunity to intervene with or without military force.

Secondly, the Russians could have attempted to reach an understanding with nationalist groups in opposition to Amin. While adamant Islamic leaders might have refused to deal with them, all resistance leaders were aware that Soviet acceptance was essential to the viability of any future Afghan government. The establishment of a nationalist government need not have weakened Soviet security. A stable nationalist Afghanistan would present less chance for outside intervention hostile to the Russians than a Marxist one in turmoil. Therefore, it is unlikely that security considerations were paramount in the Soviet decision.[8]

Even an insistence upon an extension of the Brezhnev doctrine into Asia by maintaining Marxist control of Afghanistan could have been accomplished without military intervention. There already was a sufficient Soviet military and poli-

[8] The Soviet ability to influence the political situation in Afghanistan short of a massive invasion renders disingenuous claims by the Kremlin leadership that it was acting defensively. For example, Mikhail Suslov speaking in Warsaw justified the invasion by reciting a list of threats against Soviet security interests. 'The aggression of China against Vietnam; the Nato decision aimed at a new round in the arms race, the positioning of powerful American armed forces around Iran; the training and infiltration of armed rebel groups into democratic Afghanistan forcing the government of that country to ask the Soviet Union for help—all these are not isolated occurrences but links of one chain.... As the Peking hegemonists threatened to "punish" Vietnam, so the United States has now begun to talk of "punishing" Iran and, more recently, even the Soviet Union.' Quoted in *The New York Times*, 15 February 1980.

tical presence to generate a coup against Amin. If the Parchamis had been incorporated into such a manœuvre, they might have come to power without the stigma of being installed by a Russian army. Such an internal operation could have been risky. Amin had proved himself a master of intrigue. Yet by the end of 1979 he was totally dependent on the Russians for survival. A cut-off of assistance to units loyal to him would have eventually rendered him helpless. That the Soviet Union did not settle for such a muted line of action suggests a good deal about its motives and frame of mind in choosing to invade.

These motives and attitudes had evolved within the framework of a policy launched by Khrushchev in 1955. He changed the Soviet posture towards Afghanistan from one of general hostility to that of a donor of military and economic assistance. The policy had its overt and covert dimensions and the Soviet government was to display some ambivalence as to which approach it favoured. Overt aid programmes gave it influence in the governing circles of the Afghan monarchy and access to the expanding military officer corps. Soviet aid became so vital to the Afghan government that its dependence was translated tacitly into an assurance that Afghan foreign policy would not offend the Russians. The relationship provided a highly visible demonstration of Soviet generosity and neighbourliness towards a conservative Muslim nation incapable of defending itself against the Soviet Union. Such a policy also assured the Russians of more than 800 miles of secure border at a cost of approximately $50 million per year in economic aid—much of it subject to repayment.

As it operated elsewhere, the covert side of the Soviet policy involved the fostering of a Marxist movement within Afghanistan's nascent modernist intelligentsia. What eventually developed was a classic instance of two-level penetration. By the early 1970s a semi-clandestine Marxist movement was preparing to seize power from a government which enjoyed excellent relations with the Soviet Union. The coups which finally brought Afghan Marxists to power do not appear to have been engineered by the Russians.[8] Their support of Daoud and of Taraki does not necessarily indicate complicity. Publicly they appeared to be equally pleased with Amin after he removed Taraki; later events have shown how disturbed they actually were. The Afghan experience in that sense confirms the difficulty of controlling national Marxist movements which the Soviet Union also has had with China, Yugoslavia, Albania and Romania. The crisis in Afghanistan at the end of 1979 was the result of events which the Russians helped to create, but which had passed out of their control. Only when finally confronted by Amin's defiance and his probable collapse, did they act to seize control directly.

What was remarkable about this intervention was how clumsily and naïvely it was carried out. The operation bore the marks of haste and improvisation. Propaganda justifications, e.g. that the United States and China were about to attack Afghanistan, totally lacked credibility. Unseasoned reservists were sent into a theatre of widespread guerrilla war with minimal or misleading briefings, without such practical aids as maps and with little apparent notice of where they were

[8] See Richard S. Newell, 'Revolution and revolt in Afghanistan', *The World Today*, November 1979, pp. 432–3.

going.[10] The force sent in was adequate to seize and hold the cities and key insta lations, but not sufficient to suppress a general rebellion in a country as large an difficult as Afghanistan. It is likely, therefore, that the Soviet aim was limited t removing Amin and installing Babrak Karmal with the expectation that th Afghan army could deal with the insurgency. Yet, the act of intervention itse virtually assured that the new regime could not cope with the internal resistanc now further inflamed by its total reliance upon the Russians. Hence, once the forces were in the country, only the Russians themselves were capable of suppress ing the resistance.

The incompatibility of these moves suggests that the Russians, who were we informed about conditions in Afghanistan, moved suddenly, perhaps in a spasr of anger after Paputin was shot. The earlier massing of troops was carried out t exert pressure on Amin. It appears that in their fury the Russians moved the troop in before preparations were complete. The invasion thus appears to have been th culmination of a paradox in which Soviet gains in influence over Afghanistan wer accompanied by a loss of control over events. The more desperately their Marxis clients needed them, the less leverage the Russians could exert—a phenomeno not unfamiliar to Americans in other situations.

This pattern of events strongly suggests that the Soviet intervention in Afghani stan had little to do with extending power into the Middle East and beyond. Oppor tunities arising from control over Afghanistan were, of course, too obvious for th Russians to miss. They would be in a position to restrict the American role in th Middle East, probe the chronically unstable political situations in Iran and Paki stan, gain concessions from intimidated oil states. Nevertheless, the Russian appear to have moved when and how they did in response to events within Afghani stan itself. They could not avoid considering such global and regional factors as th probable loss of trade with the United States and its allies and the breakdown o the SALT II process. Such setbacks were discounted: the Russians saw declinin American interest in maintaining détente in the Senate's resistance to the SAL' treaty, the arming of Nato with a new generation of nuclear warheads, and th continued warming of Sino-American relations. To the Russians the American were becoming less forthcoming precisely at a time when their hands were tied i the Middle East primarily as a result of the Iranian revolution, especially after th taking of the hostages on 4 November 1979.

Moreover, previous American policy towards Afghanistan suggested that th United States would not react strongly to even a marked increase in Sovie influence. It had deferred to the Russians as the predominant influence in Afghani stan since the mid-1950s. The United States continued to recognize the Khal regime despite its apparent complicity in the killing of the American Ambassado in February 1979. Thus the Russians had reasons for being sceptical abou American warnings against an invasion after the massing of troops was detecte in December.

Muslim resentment is another matter. It is the strongest deterrent against Sovie expansionism in the Middle East. Therefore, what happens in Afghanistan will b crucial for the future role of the Soviet Union in the region.

[10] Robert Fisk (of the London *Times*), *Christian Science Monitor*, 4 March 1980.

Afghan resistance

Afghan resistance to the Russian intervention was violent and nearly universal. Within the first week, there were a number of fatal attacks on Soviet soldiers by civilians wielding rocks, knives and other crude weapons. Insurgent groups continued their hit-and-run attacks on road traffic and small government outposts. Spokesmen for the opposition groups quartered in Pakistan vowed to fight until Afghanistan was cleared of Russians. Most eloquent of all were the general strikes staged in Herat, Kandahar and Kabul. Despite their vulnerability against reprisal, whole neighbourhoods in these cities shouted their defiance of the Communists and their allegiance to Islam from the housetops. Many spilled into the streets to demonstrate their opposition, only to be shot down by Soviet armour and helicopters.

Most of the countryside has remained outside Soviet control. Military units initially sent in were not intended to confront resistance beyond the main cities. It was not until the end of February that the Russians were prepared to take action against the areas of most active rural resistance. Their attacks have been concentrated against the Pushtun regions adjacent to the eastern border with Pakistan. These had actually begun with probing actions near Jalalabad after the Russians had put down an Afghan army unit which had mutinied there. The late winter attacks were aimed at destroying concentrations of Pushtun insurgents who were in control of the extensive region. Joint air and armour assaults were launched against the lower Kunar valley which was serving as an insurgent supply artery from Pakistan. The irrigated land along the valley floor was seized and the villages were bombarded causing heavy civilian casualties. Survivors fled to Pakistan, adding to the more than 700,000 refugees being sheltered there by the beginning of spring. Regrouping after the onslaught, the insurgents returned to occupy the hills overlooking the Kunar River to harass the Soviet troop concentrations below with attacks by night.

Similar attacks have been mounted against the Laghman area north-east of Jalalabad and further south in Paktia, the proverbial heartland of Pushtun resistance against all outside influences. In the latter case, air and ground attacks have been launched from Gardez and from Kandahar. Scorched-earth tactics have been employed against the population, which suffered heavy losses from the massive rocket and high-speed machine gunfire of the MI 24 assault helicopters when flushed from their homes or defensive positions.

These attacks have demonstrated the Soviet ability to destroy Afghan armed resistance when it is concentrated in the more accessible farming areas near Kabul and Kandahar. Without adequate ground-to-air weapons, the insurgents must restrict their own attacks to night raiding in small groups. The Russians appear to be calculating that by breaking the Pushtun resistance they may shatter the will of the rest of the population to continue fighting.

Thus, within a few weeks, the Russians had a firm grip on Afghanistan's strategic urban core and proved they could devastate seats of major opposition, but they had yet to bring the majority of the population under effective control. Such an achievement depended upon the determination of the insurgents to continue resisting and the willingness and ability of the Russians to commit forces

large enough to complete a campaign of annihilation throughout Afghanistan. Given the extent and difficulty of the terrain and the tenacity already displayed by the opposition, such an effort might require forces three times larger than the 80,000 to 100,000 troops engaged by the end of the winter.

The Parcham goverment

Shortly after Amin's execution 'for crimes against the noble people of Afghanistan', Babrak Karmal was installed as the newly elected President of the Democratic Republic of Afghanistan and leader of the People's Democratic Party (PDP). A Pushtun native of Shewaki, near Kabul, Karmal had been educated in German-assisted schools and studied law at Kabul University where he became active in radical politics. He spent several years in jail during Daoud's prime ministry and worked in the Planning Ministry from its founding in 1957 until he was elected to the national Parliament in 1965 as a leader of the PDP. His personal differences with Taraki and Amin contributed to the splitting of the Marxist party into the Khalq and Parcham factions. He led the Parcham faction which figured prominently in the coup of July 1973 and the first phase of Daoud's republican rule. Parcham rejoined Khalq in 1977 and Karmal was appointed Deputy Prime Minister in the first Marxist Cabinet in April 1978. Losing out in a power struggle, he was sent as Ambassador to Prague the following July and then denounced as a traitor by Taraki. His activities and whereabouts from September 1978 to late December 1979 have not been revealed, but he was obviously under Soviet protection.

Despite the violent events that brought him to power, Karmal bases his authority upon the 'revolution' of 7 Saur (27 April 1978).[11] This argument permits him to claim that the authority of his government stems from an internal seizure of power by Afghans, rendering irrelevant such subsequent events as the arrival of the Soviet military and their execution of Amin. This tortured explanation was essential for a government totally dependent upon a foreign power. The circumstances have required that it devote virtually all of its energy to winning popular acquiescence.

The Parcham government's strategy for winning support emphasizes the claim that Amin had betrayed the revolution. It is now to be put back on track by the new leadership. It has sought to broaden its support by appointing some Khalq faction survivors, some non-Marxist progressives and a powerful bloc of military officers to senior posts. Abrupt and drastic change is to be avoided and reconciliation is to be a major goal. Karmal declared, '... the Government of the Democratic Republic of Afghanistan is established on a national united front under the leadership of the working class and all the toilers of Afghanistan... While under the circumstances it is *not our direct duty to practise socialism* [italics added], the new government ... deems it its historic national duty to ... perform the following urgent duties:

(i) Proclaim the release of all political prisoners.

[11] For background, see Richard S. Newell, 'Revolution and revolt in Afghanistan', *The World Today*, November 1979.

(ii) Abolish all anti-democratic and anti-human regulations and ban all arrests, arbitrary persecutions, house searches and inquisitions.
(iii) Respect the sacred principles of Islam . . . protect family unity and observe legal and lawful private ownership.
(iv) Revive . . . revolutionary tranquillity, peace and order in the country.
(v) Insure . . . conditions conducive to democratic freedoms such as the freedom to form progressive and patriotic parties.
(vi) Pay serious attention to youth . . .'[12]

This transitional 'united national front' government thus has promised both reconciliation and continued revolutionary change. Reforms initiated by Taraki and Amin have been endorsed, but with the assurance that they will be enforced gradually and with regard for Afghan social and cultural sensibilities. To this end Taraki has been rehabilitated as a revolutionary martyr who had launched the 'new model revolution', while Amin is vilified as its perverter. Taraki's death is attributed to orders from Amin; a confession of a soldier alleged to have participated in the execution makes no mention of Taraki's being wounded by gunshots; instead, it is claimed he was strangled.[13] Amin is depicted both as a monster and as a traitor to the revolution willing to take support from the United States, China and conservative Muslim states. The charges against him have been larded with a singularly bombastic invective. In announcing Amin's downfall Karmal said, 'Today is the breaking of the machine of torture of Amin and his henchmen, wild butchers, usurpers and murderers of tens of thousands of our countrymen fathers, mothers, brothers, sisters, sons and daughters, children and old people.'[14]

Its talent for phrasemaking notwithstanding, the Karmal regime has few instruments for establishing its bona fides with the people. The few committed Afghan Marxists have been decimated by Amin's purges and assassinations. There were probably less than 3,000 survivors, both Khalquis and Parchamis, to staff the party and the government.[15] So far they have operated more as an Afghan façade ineffectually covering the operational control assumed by Soviet advisers in nearly all government ministries.

Similarly cosmetic has been the co-option of non-Marxists into the Cabinet. One survivor from Daoud's republican government, Muhammad Khan Jalalar, was reappointed Minister of Commerce. Two other appointees, Muhammad Ibrahim Azim and Fazul Rahim Mohmand, appear to have no history of Marxist activity. Some Cabinet members are latecomers to the Marxist party, most notably the new Foreign Minister, Muhammad Dost, who had served as secretary to Muhammad Hashimi Maiwandwal, a moderate nationalist Prime Minister in the late 1960s. Karmal's government has also announced the appointment of three far more prominent moderates: Rawan Farhadi, secretary to the Cabinet during the constitutional era, and Samad Hamad and Muhammad Siddiq Farhang, both of whom played key roles in the drafting of the 1964 liberal Constitution and served in subsequent governments. They have been appointed advisers to the new

[12] *Kabul New Times*, 1 January 1980. [13] *ibid.*, 23 January 1980.
[14] *New York Times*, 28 December 1979.
[15] Mohan Ram, *Far Eastern Economic Review*, 8 February 1980.

government, but evidence that they can exert influence is entirely lacking.

Such personnel manœuvres have been accompanied by gestures and declarations also designed to generate public acceptance. Much publicity attended the release of political prisoners on 6 and 11 January, including the presence of foreign newsmen. The gesture partially backfired. Pul-i-Charkhi, Kabul's largest prison, was mobbed by relatives of the inmates who rioted when many prisoners did not appear. Karmal later announced that all political prisoners had been released despite numerous cases of missing inmates. A new Constitution was promised incorporating respect for Islamic beliefs and institutions, protection of the family as a unit and acceptance of the principle of private property.[16]

There was little the government could do to back such words with substantial deeds. A declaration of amnesty for deserters appears to have had little effect upon the melting away of the Afghan army. The claims of restoration of civil rights were offset by reports of constant arrests inside Kabul and the detention and torture of suspects by the party militia. This was dramatized in the aftermath of the week of anti-government demonstrations and strikes in Kabul in late February. Several hundred persons, largely of the Hazara Shiite minority, were reportedly arrested by the militia with an unknown number executed.

These announcements of conciliatory policy fell on deaf ears in the turmoil of revolt and protest which greeted the military takeover by the Russians. The government's inability even to control the capital city in late February indicates the feebleness of its position. Its weakness is aggravated further by vicious struggles for power and survival that continue between party members and factions. In mid-February these resentments flared up into another gunfight between Cabinet members which left Sultan Ali Keshmand, a leading Parchami (Vice President of the Revolutionary Council, Second Deputy Prime Minister and Minister of Planning) dead.[17]

For all its rhetoric on behalf of the 'new model revolution' and against its enemies, foreign and domestic, the most concrete accomplishment of the Parcham government has been the redesigning of the national flag. It now includes the green of Islam alongside the red of Marxist revolution.

Six months after the invasion, Afghanistan's future remains primarily a matter of Soviet intentions and capacities. The Soviet Union has the means to reduce armed resistance to a minor nuisance. Drastic repression would involve massive direct manpower and heavy economic costs and is likely to earn the lasting resentment of the Islamic states and much of the Third World. Such a price need not keep the Soviet government from gaining new influence in the Middle East on the basis of having exercised power effectively, even if ruthlessly. Should the Russians falter for lack of nerve or due to outside pressure, protracted guerrilla resistance is possible. But to survive it will require outside support. So far, that has shown no sign of developing.

[16] *Kabul New Times*, 8 January 1980.
[17] *New York Times*, 25 February 1980. In mid-June, Radio Kabul announced the execution of three former Ministers of the Amin government belonging to the Khalq faction. *Financial Times*, 16 June 1980.

Managing the Turkish crisis

ANDREW MANGO

THE situation in Turkey is unhappy. Yet less than seven years ago, in October 1973, when the country celebrated the fiftieth anniversary of the proclamation of the Republic, the mood in Turkey was reasonably confident and Turkey's standing abroad was high. True, political instability, which was to prove chronic, had already set in. It had begun immediately after the general elections of October 1969, when the basically liberal Justice Party, led by Mr Süleyman Demirel, split after winning for a second time a clear majority in the National Assembly. The cause of the split was the exclusion from the government of a faction generally labelled as right-wing, and led, among others, by Mr Saadettin Bilgic, an unsuccessful rival of Mr Demirel for the leadership of the party. The rebellious faction organized itself as the Democratic Party, claiming to be the successor of the Democrat Party of the late Adnan Menderes, which had governed Turkey from May 1950 until the military coup of 27 May 1960. In February 1970, the Democratic Party, voting with the opposition Republican People's Party, threw out Mr Demirel's budget and forced his resignation.[1]

Although Mr Demirel was able to reform the administration, his parliamentary majority was much reduced, and his general position so weakened that a small push, provided by the beginning of student terrorism, caused his downfall. This came on 12 March 1971, when the High Command of the Armed Forces demanded a credible government pledged to reforms in the spirit of Mustafa Kemal Atatürk, the founder of the Republic. What resulted, however, was a series of unstable allegedly above-party coalitions, which the main political parties supported fitfully and only under military pressure. While these governments tampered with political changes of which the circumscription of the wide freedoms written into the 1961 Constitution proved the most important, the military suppressed the outward manifestations of terrorism. This, however, re-emerged and spread beyond the universities after the general elections of October 1973,[2] which marked a return to civilian government free of overt military control. But they marked also an increase in fragmentation, affecting political parties, trade unions and other organizations. The Justice Party lost votes not only to the Democratic Party, but also to the Islamic revivalist National Salvation Party of Professor Necmettin Erbakan and to the militant right-wing Nationalist Action Party of Colonel Alparslan Türkes. After an interval of a few months in 1974, when Mr Bülent Ecevit, leader of the restyled 'democratic leftist' Republican People's Party,

[1] For background, see Jacob M. Landau, 'Turkey from election to election', *The World Today*, April 1970.
[2] See Jacob M. Landau, 'The 1973 elections in Turkey and Israel', *ibid.*, April 1974.

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formed a coalition with Professor Erbakan, and, incidentally, ordered the Turkish military intervention in Cyprus,[3] there was a reshuffle of partners, and Mr Demirel returned to power at the head of a Nationalist Front government, comprising his own Justice Party, the National Salvation Party and the Nationalist Action Party (as also the small Republican Reliance Party of Professor Turhan Feyzioglu).

The elections brought forward to June 1977[4] again failed to produce a clear majority, although Mr Ecevit's Republicans were considerably strengthened. Nevertheless, Mr Ecevit could not secure a vote of confidence, and a second version of the Nationalist Front government was formed (without Professor Feyzioglu) and lasted until the end of 1977, when enough Justice Party deputies defected to enable Mr Ecevit to come to power. His government was, however, decisively repudiated by the electorate in the by-elections and mid-term Senate elections of October 1979. The following month Mr Demirel returned to power at the head of a minority administration, which is governing Turkey at the time of writing. There is at present no parliamentary majority against it, just as there is none for anything of substance. Parliamentary indecision is illustrated by the failure to elect a President of the Republic in the first one hundred ballots.

Sources of instability

Since February 1970 the average life of governments in Turkey has been less than a year, and intervals between governments have been long. This would not have mattered much if the civil service had been able or allowed to administer the country without undue reference to passing governments. But the civil service, which under Atatürk, and then more or less until 1950, formed the core of the Republican People's Party and had acquired both authority and experience under long-lasting authoritarian governments, has since been packed by each successive government with its own supporters. The extension of the spoils system, or rather of a Turkish version of it (for the losers are not dismissed, but transferred to less important jobs or to sinecures, while the winners swell the payroll) has meant that political interregna are marked by administrative inactivity as threatened civil servants lie low, and are followed by more inactivity as a new team settles in.

Political instability with its untoward administrative consequences has been promoted by the legislative changes which followed the military coup of 27 May 1960, and by the 1961 Constitution and the electoral law bringing in proportional representation, since modified in its details. Seeking to cure the ills of the past, and, in particular, what they saw as the parliamentary dictatorship of Adnan Menderes, the academic mentors of the military junta limited the powers of the elected executive, removing large areas of public affairs from its direct control and specifying principles which it must respect, just as they made it more difficult for strong leadership to emerge either within political parties, where much power has been transferred to provincial organizations, or among them. The 1961 Constitution has been called a luxury by Professor Nihat Erim, whom the military installed in power in 1971, and 'all brake and no accelerator' by Mr Demirel to the writer

[3] W. M. Hale and J. D. Norton, 'Turkey and the Cyprus crisis', *ibid.*, September 1974.
[4] William Hale, 'Turkey's inconclusive election', *ibid.*, July 1977.

privately. Yet even before the 1973 revisions, it allowed Mr Demirel to win handsome majorities in 1965 and 1969 and to govern effectively between these two dates. But the process of fragmentation has advanced since then, and today Mr Demirel is pressing for radical constitutional revision and may even make this the main promise of his electoral campaign. A recent suggestion by Professor Aydin Yalcin, an estranged former supporter of Mr Demirel, and Senator Adnan Baser Kafaoglu, provides for much stronger presidential powers, referenda and the abolition of the Senate. Such a change would have to be approved by two-thirds of the members of Parliament, and this both the present members and their likely successors would need strong persuasion to do.

Of the many problems besetting Turkey, two are claiming particular attention. They are the high incidence of political violence and widespread economic hardship. Even the most skilful of governments might not have avoided terrorism or economic difficulties in a society growing as fast in numbers and changing as fast in patterns of employment, expectations and, generally, ways of life as has been the case in Turkey. But matters were made worse when parties, whether in government or in opposition, failed to resist the temptation to play politics both with law and order and with the economy.

Terrorism

Student agitation had triggered off the military coup of 1960 which overthrew the Menderes regime. So when student violence broke out again in 1968, soon after the events in France, at a time when Mr Demirel seemed irremovably ensconced in power, the opposition Republican People's Party was not unduly perturbed. Even an elder statesman as prudent as Ismet Inönü, who at that time led the opposition, at first dismissed the student occupation of university premises as only an extension of the boycott of classes. Between 1968 and March 1971, as student militancy assumed a political character culminating in overt terrorism, with attacks on American servicemen and kidnappings, the opposition refused to support government measures against the terrorists, claiming that violence was caused by Mr Demirel's failure to live up to the Constitution.

This opposition claim found an echo in the Generals' Memorandum of 12 March 1971, which forced Mr Demirel's resignation. But while the old guard of the Republican People's Party welcomed the change and benefited from it, the bulk of the party swung behind Mr Ecevit who, as the new leader, refused to cooperate with the military and interpreted their intervention as an attempt to forestall the victory of the cause of left-wing democracy. When he came to power in 1974, Mr Ecevit promptly amnestied all political and many other offenders, including convicted terrorists. He has since argued consistently that terrorism was born of economic hardship and fed on repression. After his resignation later that year, Mr Ecevit blamed the increase of terrorism on right-wing gangs, linked with the Nationalist Action Party, which formed part of Mr Demirel's Nationalist Front coalition. Similarly, Mr Demirel and his allies claimed that left-wing terrorists had protectors in Mr Ecevit's Republican People's Party. Back in power in 1978, Mr Ecevit, while repeating his former accusations, was forced to proclaim

martial law in a number of provinces, after months of indecision and only after a particularly vicious outbreak of sectarian violence. While Mr Ecevit insisted on a careful monitoring of the actions of martial law commanders, Mr Demirel has now given the military *carte blanche*. Nevertheless, the death toll from terrorism has increased, with an opposition spokesman claiming that there had been 1,361 political murders in the first 170 days of the Demirel minority government. To the Republican People's Party this is proof of the failure of the government's tough policy, if it is not an indication that right-wing terrorists have friends in high places. Mr Demirel, on the other hand, argues that now that the armed forces are free to conduct the struggle against terrorism, they are bound to win, however long it may take them.

The problem is tougher than politicians have implied. Terrorism feeds not only on ideological, but also on sectarian and ethnic animosities. Terrorist gangs have established bases in shanty towns and country areas, and now fight among themselves for control of territory and institutions. The police force, divided between a majority left-wing and a minority right-wing association (which have only recently been banned) is still unequal to its task. The politicization of the civil service and the polarization of society have reduced the middle ground on which impartial law-enforcement must operate. A vast army of unemployed and otherwise frustrated young people provides endless recruits for the gangs. On the other hand, there is a widespread feeling of revulsion against violence, and on this a successful anti-terrorist policy can be built. However, success will require the restoration of state authority and continuity of implementation. An improvement in the economy, and particularly in employment prospects, might conceivably help, but law and order cannot wait on it.

The economy

Politics have also aggravated the condition of the economy, because ever since 1950 elected governments have responded to the popular demand for a quick and all-round improvement in the standard of living through subsidized public provision of goods and services, protected and usually subsidized industries and subsidized public purchases of crops. The whole edifice was underwritten by the West, represented at first almost solely by the United States, which in the last resort made good the external deficit of the Turkish economy.

The first spurt of deficit-financed growth came to an end in 1958, when Western creditors forced a stabilization plan on an unwilling Adnan Menderes. In the 1960s, growth resumed under five-year plans, underwritten by the Aid to Turkey Consortium of the OECD and increasingly helped by the remittances of Turkish workers in West Germany. In addition, low oil prices and the world economic boom allowed Turkey to import relatively cheaply, to export its traditional products (cotton, tobacco and dry fruit) without developing new lines or seeking new markets, and to obtain credits where necessary. The country could thus balance its books, while planners were piling up trouble for the future by encouraging home industries designed to save on imports, but achieving the exact opposite as they relied on foreign machinery, spares and some raw materials. When the world

boom came to an abrupt halt in October 1973, Mr Ecevit and then Mr Demirel again continued with expansionary policies. Mr Demirel, in particular, subsidized oil prices and attracted short-term credits in order to finance a policy of industrial expansion on which his coalition partner, Professor Erbakan, was insisting. Thus Turkish expansion continued at annual rates of some 6 per cent, in spite of the world recession, not to mention the costs to Turkey of the intervention in Cyprus, the consequent American arms embargo and the arms race with Greece.

The first corrective measures were taken by Mr Ecevit when he returned to power in 1978, but they were neither adequate nor consistent. Ideologically wedded to an inefficient public sector, Mr Ecevit could not prevent a collapse of foreign credit in Turkey, and subsequent shortages, hoarding and price rises. His attempts to ensure a measure of social justice in conditions of stringency foundered on the inadequacies of the civil service, on favouritism and corruption which enriched middlemen and hangers-on, and fuelled inflation as the government attempted to shield public servants and the low-paid from the ravages of inflation. By October 1979, Turkish electors as well as foreign donors and creditors despaired of Mr Ecevit's ability to stop the slide into bankruptcy, although many still credit him with excellent intentions.

Back in power, Mr Demirel, untrammelled by Professor Erbakan or other coalition partners, made a virtue of necessity, devaluing the Turkish currency yet again, liberalizing the economy, inviting foreign investments, and promising an end to subsidies to most state economic enterprises and a reduction of budget deficits. The first result of these measures in January this year has been a horrific increase in prices. Prices which had risen by 62 and then by 63·5 per cent in the two years of the Ecevit administration (1978 and 1979 respectively), have already increased by 47·5 per cent in the first quarter of this year according to OECD figures.[5] In the meantime, Parliament has continued to play politics; first it increased civil service salaries above the figure suggested by the government, and then it stalled on the government's tax reform proposals. As a result, the budget deficit will be larger than expected, and the International Monetary Fund, with which Turkey is trying to conclude a three-year, stand-by agreement amounting to over $1,600 million, is reported to be pressing for a further devaluation. The OECD which by and large approves Mr Demirel's new economic policy as 'a realistic attempt at dealing with a difficult situation', and which has supported this policy by pledging in April this year $1,160 m of fresh money, admits in its latest survey of the Turkish economy that 'in an initial period, the situation may in certain respects get worse before it gets better'.[6] But how long will this initial period be, how much worse will the situation get, and how will the Turkish body politic behave while the economy is being turned round?

With the credits already pledged by the OECD, the unexpended portions of previous credits and the loan being negotiated with Saudi Arabia, Turkey will probably be able to import its essential requirements this year, even though the country's entire export revenue will be barely sufficient to pay for oil imports

[5] *Latest Trends in Consumer Prices*, OECD Press Release, 13 May 1980.
[6] OECD Economic Surveys, *Turkey*, April 1980.

alone, costing roughly $3 billion. Turkey's imports have already been cut to the bone, amounting last year to some $5 billion in all, or roughly half those of Greece, a country having but one-fifth of Turkey's population. Yet next year Turkey will almost certainly have to turn to foreign donors again, since it is unlikely that either its exports or workers' remittances will pay for a minimal imports bill. Accumulated foreign debts will, of course, go on being rescheduled.

Internally, the standard of living will probably continue to drop. The OECD calculates that real wages of insured workers dropped already by 1 per cent in 1977, 12 per cent in 1978 and 6·5 per cent in 1979, even though fringe benefits may have offset some of these losses. The drop this year will certainly be larger. The condition of the unemployed will, of course, be even more serious. In 1977, the OECD estimated, there were 2·2 million unemployed, or 14 per cent of the labour force, excluding those under-employed in agriculture.[7] The situation must be worse today, as the available labour force increased by 2 million to 16·6 million out of a total population of 44 million by 1979. Calculated at current rates of exchange, the GNP per head remained roughly stationary for two years: it was $1,171 in 1977, and only $1,195 in 1979. After the latest devaluation, it must have dropped below the $1,000 mark, as compared with $3,500 per person in Greece.

Against these dismal statistics, one must set the fact that the country can feed itself, that there is little malnutrition, and that the 50 per cent or so of the labour force engaged in agriculture can probably stand the small drop in its standard of living occasioned by the failure of guaranteed support prices to match the rate of inflation. The main social problems are to be found in the cities, where 42 per cent of the country's population lived in 1975, and probably close on 50 per cent today. The three main cities of Istanbul, Ankara and Izmir have a population of some 10 million, a substantial proportion of whom live in shanty towns. It is there that the contradiction between a partly idle labour force and work that needs to be done, particularly in improving the social infrastructure, is at its most glaring. Housing, transport, schools and medical services, not to mention such refinements as recreation spaces or proper pavements, are obviously inadequate, while the streets are equally obviously full of people doing no or little productive work.

Theoretically this discrepancy between supply and demand, resources and achievement should diminish as the economy is exposed to both internal and external market forces. But apart from such imponderables as the state of the world economy and the ability of oil producers to exact ever higher prices for their product, much will depend on an unquantifiable factor—the ability of the Turkish people to learn industrial and commercial skills, to organize, to adapt and to compete. Turks are a patient and resilient people. They were also, when development started in earnest in the 1950s, woefully lacking in modern skills. The desire of most Turks to get on in the modern world is not in doubt. Signs of enterprise have also abounded since the Second World War, when it often seemed that only wrong-minded state interference stood between people and the achievement of which they were capable. Now that it has become official policy to encourage individual enterprise, we shall see whether skills have been disseminated widely

[7] *ibid.*, November 1978.

enough to allow Turkey to compete in a hard world. But, in any case, adaptation will be slow, while the success of the new policy will depend on continuity of implementation. The decision of Mr Demirel to apply this year for full membership of the EEC is designed, among other things, to guarantee this continuity.[8]

Looking to Europe

This decision does not pursue only short-term advantages like an increase in credits, or political side-effects like parity with Greece inside Europe. It is a deliberate choice of identity in foreign affairs, but also in domestic political, social and economic matters. Mr Demirel believes that legal entry, combined with long or even open-ended transitional periods, would put Turkey on the path leading to a free and prosperous future. Turkey would then indeed be a European state as envisaged by the Republic's founder, Mustafa Kemal Atatürk. Membership of Europe would be a guarantee both of the survival of parliamentary rule and of the establishment of a market economy.

Mr Demirel's clear choice follows a similar but more muted decision made in 1979 by his predecessor, Mr Ecevit, when, after testing out his 'multifaceted foreign policy' and his 'new defence concept', he came to an agreement with the IMF and negotiated the new Defence and Economic Co-operation Agreement with the United States, an agreement which was finally signed on 29 March this year by the Demirel government. However, this element of continuity does not mean that the debate on Turkey's vocation is over. The Marxists (both inside and outside the illegal Turkish Communist Party) and Islamic fundamentalists are against the Western link. Fear of foreign exploitation remains a potent force, particularly at a time when national self-confidence is being sapped by a widening gap between living standards in Europe, including Greece, and Turkey.

As part of his European policy, Mr Demirel is seeking a quiet accommodation with Greece. Turkish Notam 714 demanding that aircraft flying east of a median line drawn across the Aegean Sea should report to Turkish air control has been withdrawn. And the Turkish government does not exclude the possibility that the conflict on the Aegean continental shelf should be referred to arbitration, if bilateral discussions fail to produce a solution. On Cyprus, the Turkish government is looking forward to the resumption of intercommunal negotiations 'on the right rails', in other words, based on a firm recognition of a bizonal state and the need to safeguard the security of the Turkish Cypriot community. It expects such negotiations to last for a long time, but to result finally in a federal government for the island. On all these matters Mr Demirel is prepared to proceed slowly, edging ever more closely to the West, while trying to minimize domestic condemnation of 'concessions' and any upsets in relations with neighbours to the north, east and south. He is a master of crisis management, while Mr Ecevit deals with broad concepts and bold patterns.

The art of crisis management (*idare-yi maslahat*) was highly developed in the Ottoman Empire and constituted the secret of its longevity. Its application in the Republic of Turkey will be interesting to watch.

[8] See the article by Sir Bernard Burrows in this issue.

Turkey in Europe?

BERNARD BURROWS

THESE words which used to describe the small area of the Ottoman Empire remaining on the European continent after the Balkan Wars now pose a question which is likely to demand increasing attention and skilful handling both in Turkey and in the European Community. The earlier history of this relationship and some recipes for its improvement were provided in an earlier issue of this journal by a distinguished Turkish journalist.[1] In the last two years, there has been little effort to define a Community attitude to the question whether Turkey should become the thirteenth member state, partly because the Community was engaged in the more immediate demands of actual negotiation with Greece, Spain and Portugal who were ahead of Turkey in the queue, partly because Mr Ecevit's government was more preoccupied with pointing out the faults of the existing Association Agreement than with promoting a more rapid or more definite programme leading towards membership. Many people in Europe felt uncertain whether the Turkish government still held this to be a policy objective. Economically, the Turks were finding great difficulty in meeting the requirements for structural reform put forward by the OECD and IMF as conditions for the beginning of a vast programme of development aid and debt re-scheduling which Turkey urgently needed. The negotiation of new terms with the EEC may have seemed in that context an extra burden unlikely to procure a proportionate return. Politically Mr Ecevit's hope of a bridge-building role for Turkey, between Europe and the Middle East for example, and even more broadly in some aspects of the East–West relationship, may have seemed incompatible with reaffirmation of Turkey's claim to a place in an organization having its feet unequivocally in Europe and in the West, in addition to Turkey's existing Nato commitment.

Now, however, Mr Demirel has apparently decided to take a different and much more positive line about Community membership. He is not so dependent in this administration as in his previous tenure of office on the support of the two small parties (the National Salvation Party and the Nationalist Action Party) devoted respectively to the revival of Islam and the return to truly Turkish principles, with a flavour of corporatism, and which are therefore both inclined to be less than enthusiastic about a Community which is founded specifically on parliamentary democracy of the Western model and whose treaty was signed at Rome. Moreover, he has found it more acceptable than his predecessor to introduce the radical economic reforms required to open the way to Western financial help, and is ideologically committed to the principles of free private enterprise and the market

[1] Mehmet Ali Birand, 'Turkey and the European Community', *The World Today*, February 1978.

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economy, which are also inherent in the Community. Many leading Turkish industrialists have, at the same time, come to accept the need for the Turkish economy to be more outward-looking and have acquired greater confidence in their ability, with suitable help from their government and from external sources, to bring this transformation about in a measurable time.

Moreover, the entry of Greece into the Community, long foreseen as a future eventuality, is now much more clearly visible as an imminent reality, and as such has had the power to concentrate Turkish thinking to a remarkable extent. There can clearly be no chance of any new substantive agreement being concluded between Turkey and the Community before the end of 1980 when Greek membership becomes effective, but the Turkish government appears to be impressed by the argument that it ought to have an application on the table before this takes place. The fact of Turkey's reaffirmed aspiration for membership would then be, so to speak, part of the '*acquis communautaire*' which Greece would be accepting on entry, and it would be impossible later to object that this was a new matter of which Greece had been officially unaware.

As a result of these and perhaps other arguments, it now appears probable that a firm application will be made this year by the Turkish Government to the Community. It is not clear at the time of writing precisely what form this application will take. One might guess that Turkey's desiderata would include acceptance of the principle of Turkish membership in more definite terms than are included in the existing Association Agreement and Additional Protocol; a shorter time-scale than the rather long period of years foreseen by the present agreements, and a larger and more lasting EEC participation in the financial aid which Turkey would require to achieve economic conditions in which membership would be possible. Turkey is also likely to ask for some advance arrangement for participation in the political co-operation machinery by which the Community member states seek to harmonize their foreign policy. This will seem particularly desirable once Greece is participating actively in this process. A plan for limited consultation with Turkey on matters specifically affecting it or the Eastern Mediterranean more generally has already been envisaged by the governments of member states, but it is not clear whether this will now be seen as adequate by the Turkish government.

In addition to the effects of Greek entry, there is another more general political consideration which strongly influences those people in Turkey who wish to promote Turkish membership. They would regard this as confirming Turkey's European vocation and the acceptance of this vocation by the other members of the Western group of nations. Turkey has for many years been a member of the Council of Europe (since 1949) and of Nato (since 1952). Since the 1920s, its Constitution has provided for a thoroughgoing parliamentary democracy, and this was only briefly interrupted by the military regime established in 1960. (This interruption did not lead to Turkey's expulsion from the Council of Europe, as did the Colonels' regime in the case of Greece.) Further back still, the whole history of the attempts to reform the Ottoman system in the nineteenth century is linked with West European political thought and one of the most important of the reforms finally executed by Atatürk was the complete elimination of Islam from

the dominant position which it had previously held in the law and in the apparatus of the state.

Some Western reservations

Both the economic and the political aspects of Turkey's relationship with the Community were the subject of lively debate at a seminar in London last February organized by the University Association for Contemporary European Studies and the Federal Trust for Education and Research, in co-operation with the Turkish Foreign Policy Institute. The economic difficulties were by no means underestimated. While now ranking fifth in population numbers of existing and applicant member states, Turkey's rate of increase is more than twice that of any other, and by the time full membership might be possible it is likely to be the most populous of all. GDP per head in the Community already ranges from $10,872 (Denmark) to $3,788 (Ireland). Of the applicants, Spain is already within this range and Greece not much outside it. Then there is a big step down to Portugal ($1,864) and another to Turkey ($1,129)[2] The Turkish figure in dollars is now likely to be considerably less owing to severe devaluations of the Turkish lira. The difference per head is of course made considerably more significant in the Turkish case by the very large number of Turkish heads. With Turkish membership there would, to say the least, be a striking addition to the already serious difficulty of bringing about convergence between the economics of member states. The other result of Turkey's low GDP and large population has been the pressure by Turkish workers to find employment outside Turkey, and the fears of some of the receiving states of what might happen if, under the Treaty of Rome, entry were unrestricted.[3] There are already some half a million Turkish workers, many with families, in the Federal Republic, and estimates of another million waiting to come if jobs were available.

In the shorter term, the most acute problem is provided by the Turkish balance-of-payments deficit and foreign indebtedness. The deficit on current account reached nearly $3·5 billion in 1977 and declined to $1·5 billion in 1978 and provisionally $1·3 billion in 1979, the decrease being due more to reduction of imports and a perhaps once-for-all spurt in workers' remittances than to export growth. The estimates for 1980 are much worse, largely because of the need to increase imports again if industrial and agricultural activity is going to be revived. Interest payments on foreign debt were $489 million in 1978, $629 million in 1979 and may amount to $1·6 billion in 1980. The OECD estimates[4] that in addition to existing credits the remaining external financing gap for 1980 may be of the order of $3·2 billion.

Accompanying this deficit on external account, Turkey is suffering from a fearsome rate of inflation of 80–100 per cent, and severe unemployment. The causes of all these troubles are relatively well known: the financing from current tax revenue of deficits in the State Economic Enterprises; import substitution leading to inefficient and costly local production, all of which could be sold all too

[2] 1978 figures from OECD.
[3] See G. N. Yannopoulos, 'Mediterranean labour in an era of slow Community growth', *The World Today*, December 1979.
[4] OECD Economic Surveys, *Turkey* (Paris, April 1980).

easily on the constantly expanding internal market; short-term borrowing for longer-term development, often political in character; the world oil price rises; excessively large pay increases in both the private and public sector, coupled with rapidly rising social security provision, won by an active trade union movement.

The remedies, too, are by now fairly well known, and are beginning to be put in effect by the government of Mr Demirel. The main lines are obvious: the economy has to be made more outward-looking, helped by realistic internal pricing and currency devaluation; foreign investment is to be encouraged; debts are being re-scheduled; and the financing of the state enterprises will be brought under effective governmental control; the whole programme will require foreign aid for a considerable time and a fairly good beginning has been made in providing this from the IMF and OECD member governments.

The question for the purpose of our present discussion of Community membership is a double one: can Turkey's economic situation be brought near enough to the Community pattern to make membership a realistic prospect within an acceptable time, and would a programme preparing for Community membership help or hinder this process? Put in considerably cruder terms, in what proportions would a Turkish application for membership represent a genuine national aspiration or a lever for securing increased economic aid? From the point of view of the West, will the provision of the required aid be sufficient to maintain satisfactory relations with Turkey, without having to undertake the further large, and largely unforeseeable, commitment of accepting Turkish membership? If these questions are hard to answer, it is necessary to look at the alternative options which might be open to Turkey other than a somewhat lengthy progression to ultimate Community membership. There are some, both in Turkey and outside, who reject Turkey's claim to be European and would prefer a Middle Eastern destiny. Others, of whom Mr Ecevit, the last Prime Minister, was one, see Turkey as providing a bridge between Europe and the Middle East, and, therefore, presumably as not being wholly in either camp, having an independent status in relation with all its neighbours but tied to none exclusively. But here security policy intrudes. Would either of these options require Turkey's departure from Nato, and if so could Turkey, at such a focal strategic point of world geography, provide effectively for its own protection? And would the Western powers be even as ready as they are now to mount an economic rescue of this magnitude if Turkey were not part of their system?

Moreover, doubts may be felt about the acceptability of Turkey for a Middle East role. Arab memories are long, and Ottoman domination has not been entirely forgotten. More recent Turkish association with the West in Nato and otherwise would cause difficulty for any attempt to move into a more non-aligned position (even though the much closer association of Cuba with the Communist bloc does not seem to prevent that country continuing to claim a leading role in the non-aligned group—there is a double standard in such matters).

Turkish attitudes

Another more important set of reservations is to the effect that, quite apart from

the economic problems, Turkish opinion is not prepared for such a momentous and historical step; that even in the administration there is a lack of research background and expertise which negotiation with the Community would require; and that in the present precarious parliamentary situation in Turkey a decision to apply might not be maintained for long enough to become effective. It may be added that preparation of opinion outside Turkey is also urgently required if a Turkish application is to be successful. Prejudice and ignorance abound. How important for example is the religious issue, to which brief reference was made above in describing Turkish party attitudes? Mutual perceptions between Turkey and Western Europe are apt to be confused, and Professor Osman Okyar, of the Hacettepe University at Ankara, in a talk at Chatham House following the February Seminar, paid considerable attention to this aspect. There is some feeling in Turkey that Turkey's application may be looked at askance because Turkey is Islamic and the rest of Europe is Christian. On a more local scale, there may be also a suspicion that the Greek application was received more favourably because that country is seen as the last outpost of European Christendom, whereas Turkish membership could be seen as an extension of Europe into an unfamiliar and probably hostile environment, subject to outbursts of Islamic revivalism such as recently occurred in neighbouring Iran. This might be desired by the outspokenly Islamic National Salvation Party, which has, however, been losing votes quite fast. A more widespread Turkish view would be that Islam as a personal religion has never died out in Turkey and therefore has no need of being revived, that Turkey is a living example, probably the only one, of the possibility of combining Islam as a popular religion with democracy and, even more uniquely, with a European system of law and society. The Turkish version of Islam, it would be claimed, provides at least as much popular resistance to Communist totalitarianism as does the mostly half-hearted Christianity of Western Europe. The acquisition by the Community of a large Moslem population would fit it better for conducting its relations with the Arab and Moslem worlds (a rather more sophisticated version of the bridge-building theory).

Professor Okyar also insisted that the converse of this political-cultural argument would be true. If Europe rejected a Turkish application to join the Community, or delayed too long in making a constructive response to it, this would be seen in Turkey as being due to a rejection of Turkey as a fellow-member of European society, an assertion of Western or Christian prejudice against a country which had done its best to move from other origins into the European orbit. This would be taken to justify the anti-European prejudices of certain elements in Turkey which were now relatively insignificant but would gain support and following from being able to say: 'I told you so'. The rest of Turkey's relations with the West might well be put in doubt, including the strategic relationship, even though this was not strictly speaking involved in the question of Community membership.

This appreciation of Turkish reactions may well be correct, but will not be enough in itself to overcome the perceptions, often erroneous but none the less influential, of cultural difference which remain on both sides. A good deal of image rebuilding has to be done. The 'terrible Turk' has not been entirely expunged from

Western folk-memory, and his disappearance was not exactly helped by the establishment of an 'Attila Line' by the Turkish forces in Cyprus in 1974. On the Turkish side, the word 'Crusader' has been used as a term of abuse in the Turkish Parliament, perhaps with ample historical justification, but in stark contrast to the repeated moral 'crusades' of Western rhetoric. On a more material scale, Turkish memories of foreign commercial monopolies in the last century and of the weight of Ottoman indebtedness to the West have evidently contributed, and to some extent still do, to the bureaucratic resistance to external investment in Turkey of which so many foreign businesses complain today.

Political Imperatives

It is clear that, while the negotiation of a Turkish application for membership would have to deal very largely with questions of finance, development, trade and the movement of workers, the result would turn largely on the political appreciation of the necessity or otherwise of Turkey's incorporation in the Western system. A considerable act of political faith would be required on both sides to overcome the economic difficulties. The present time is in one sense hardly ideal for an act of faith. The Community is in some disarray, and in the middle of assimilating three other members whose entry may bring about radical economic and institutional changes. Turkey has a minority government and is beset by violence of a level somewhat surpassing even that of Italy or Northern Ireland. World recession turns thought to protectionism and the free entry of Turkish textiles would deal yet another blow to the dying textile industries of the United Kingdom and others.

Nevertheless, from other points of view it may well be too dangerous for Western Europe and for Turkey to miss this opportunity. To a group of nations in such trouble as the Community is now it must be heartening that others want to join. In ten or fifteen years, probably the earliest time at which Turkey's entry could become fully effective, it must be assumed that the Community will either have overcome the worst of its present troubles, or have changed into something very different from what it now aspires to be. In the first case, it would be strong enough to benefit from the adherence of 60 million producers and consumers of a country with largely undeveloped natural resources. In the latter case, of a looser grouping of member states, the association of Turkey would present fewer problems, even though it might not be so beneficial. From the Turkish point of view, if opinion in that country could be brought to agree on Turkey's future role this could in itself do much to reinforce the political will which is in any case needed to overcome present economic and political difficulties.

Australia and the European Community

JULIET LODGE

BRITAIN's accession to the European Community (EC) in 1973 posed a number of problems for Australia, and its relations with the Community were especially tense in the aftermath of British accession under Mr Gough Whitlam's Labour Government as Australia strove to redefine its international image. Since then, successive Australian governments have adopted self-consciously assertive and independent stances in world affairs designed to dispel any notion that Australia took its cue from Britain and to rid Australia of its 'penal colony' image. At the same time, Australia took steps to redefine its constitutional position with Britain.

The changing nature of Anglo-Australian relations complicated the process of establishing a satisfactory relationship between Australia and the enlarged EC. The Australian Government was disappointed that the British had not obtained any special concessions, in the course of their entry negotiations with the EC of the Six, for the continued access of Australian goods to the UK market on existing terms; Australia has been seeking to redress what it perceived to be an adverse trading position with Britain and its EC partners since 1973. The world energy crisis, coupled with Australia's uranium deposits and the possibility of their export to certain countries, strengthened Australia's originally rather weak hand.

The background

Although it expected that British membership of the EC would pose economic and trading difficulties for Australian exporters faced with the EC's tariffs, the Australian Government supported the principle of European integration as a stabilizing factor in international affairs. When Britain began negotiating its terms of entry in 1970, the Australian Government indicated its desire to see its trade with Britain maintained on existing terms, as far as possible, for a transitional period. This, the Prime Minister, William McMahon argued, was necessary because many Australian industries had been developed to supply, and in 1971 were still heavily dependent upon, Britain. Accordingly, the Deputy Prime Minister and Minister for Trade and Industry, J. D. Anthony, made representations to Britain and the EC at the highest levels, but to no avail.[1] Britain's entry terms did not include special access for Australian exports (except sugar until the expiry of the

[1] See *Current Notes in International Affairs*, Vol. 42, No. 6, June 1971, p. 342; for background to Australian-EC relations, see the present writer, 'Australia and the Community', *European Community*, No. 11, November 1973, pp. 6–7.

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Commonwealth Sugar Agreement in December 1974), and the Australians felt that the undertaking in the protocol to Britain's Treaty of Accession for action in the event of any serious trade disruptions was too cumbersome to operate and, therefore, constituted an inadequate safeguard for Australian trading prospects with Britain.[2]

There was some bitterness that nothing more concrete had been secured for Australia, not least because Australia, like other Commonwealth countries, had not been able formally to put its case to the EC but had been obliged to rely upon Britain's good offices. Thereafter, the Australians became preoccupied with altering the situation by direct representations to the EC, as well as to the British Government. The Australian Government sought, in particular, free access for a number of agricultural products. Although an industrialized country, Australia's case rested and rests upon the fact that agriculture accounts for 46 per cent of its exports. Its most important agricultural export is wool (Australia supplies approximately 30 per cent of the world's wool) but this commodity was not at issue vis-à-vis the EC. However, its beef, mutton and lamb, cereals, fresh fruit, sugar and dairy exports were and fell by 80 per cent between 1972 and 1976. EC beef and veal import restrictions in 1974–6, though temporary, were an additional source of difficulty. While the EC takes 15 per cent of Australian exports and supplies 24 per cent of its imports, less than 2 per cent of EC exports (consisting largely of industrial goods, especially transport equipment) go to Australia.

Since 1973, there has been a marked change in the nature of EC imports from Australia. Whereas in 1973, food, drink and tobacco represented 28 per cent of Australian exports to the EC, by 1977 this had fallen to 16·5 per cent. Exports of industrial products and raw materials (20·5 per cent and 47 per cent of total exports respectively) remained stable. But EC imports of energy products rose from 2·5 per cent to 16 per cent, with imports of coal and iron ore rising sharply between 1972 and 1976; and the EC's interest in importing Australian uranium has increased. Indeed, this commodity came to be viewed by Australia as an important bargaining counter in its endeavours to obtain concessions from the EC in the agricultural sector.[3]

Initially, Australia's requests for concessions were phrased in terms of 'compensation for the withdrawal of tariff concessions'[4] by the three new EC member states in 1973. The issue was discussed with the Commission of the European Communities in 1973,[5] and steps were taken to negotiate trading terms on agricultural products under the auspices of GATT. As a result of these discussions, in 1974 the EC approved reductions in duty on offals, fresh oranges, dried vine fruit, fresh apples and pears, canned pears, and argentiferous lead; an increase in the levy-free beef and veal export quota from 22,000 tonnes to 38,500 tonnes; and the

[2] *Current Notes in International Affairs*, Vol. 42, No. 8, August 1971, pp. 442–7.

[3] See Doc. 546/78, 'Report of the Committee on External Economic Relations on economic and trade relations between the EEC and Australia', PE 56.110/fin (Luxembourg: European Parliament).

[4] *Australian Foreign Affairs Record* (hereinafter cited as *AFAR*), Vol. 45, No. 8, August 1974, pp. 548–9.

[5] For details, see the *Seventh General Report on the Activities of the European Communities 1973* (Brussels: Commission of the European Communities, 1974), pp. 438–9.

holding of EC customs duty at 1974 levels on mutton, lamb, honey, tinned fruit (except pears), hides and skins, greasy wool, unwrought lead and zinc—all applicable from 1 January 1975.[6] Even so, the Deputy Prime Minister and Minister for Overseas Trade, Dr J. F. Cairns, argued that this did not adequately compensate Australia for concessions withdrawn in cereals' trade, and that Australia (with the United States of America) would continue negotiations in this field in GATT. However, despite these trade arrangements EC-Australian relations remained strained and became acrimonious over Australia's protests against French nuclear testing in the Pacific,[7] and the EC's temporary ban on beef and veal imports in 1974.

The visit of Sir Christopher Soames to Canberra in September 1974 ushered in a new phase in EC-Australian relations, marked by an agreement to hold informal consultations at officials' and, if desirable, ministerial levels on matters of mutual interest. The venue for the consultations was to alternate between Canberra and Brussels. Sir Christopher Soames's talks with Australian Government ministers and officials covered the EC's meat import restrictions and the Australian initiative for an informal meeting of major meat exporting and importing countries, the question of access to the EC, and mainly British, market for Australian sugar in view of the provisions in the Lomé Convention, and the prospects for tariff reductions in Australia's industrial policy as part of the forthcoming multilateral trade negotiations in GATT.[8] More significantly, EC interest in importing Australian uranium was expressed.

Meat import restrictions were discussed again in December 1974–January 1975 when the then Prime Minister, Gough Whitlam, visited the EC Commission and the Belgian, British, Irish, French, Italian and German governments. Given the EC's continuing interest in Australian uranium exports, Mr Whitlam felt that bargaining over uranium could be used by Australia to secure better access to the beef market (its share of which was estimated to fall to 500,000 tonnes by 1976).[9]

Improving relations

Exchanges with the Community continued throughout 1975 and 1976. At the bilateral talks, held in Brussels on 23 April 1976 at Australia's request under Article XXIII(1) of GATT, Australia (and the United States of America) maintained that the EC's system for fruit and vegetable imports contravened certain GATT provisions—a point rejected by the EC. The Community, in turn, objected to Australian restrictions on the import of certain industrial products (notably footwear and motor vehicles). Notwithstanding continuing grievances over trade, Australia's relations with the EC improved during 1976 and were broadened in concert with the widening scope of the EC's activities. Energy matters featured

[6] *AFAR*, *op. cit.*

[7] Detailed in *ibid.*, Vol. 44, No. 5, May 1973, Vol. 44, No. 6, June 1973, and Vol. 45, No. 3, March 1974. See also Rosalyn Higgins, 'French tests and the International Court', *The World Today*, July 1973.

[8] *Eighth General Report of the Activities of the European Communities 1974* (Brussels: Commission of the European Communities, 1975), p. 260.

[9] *AFAR*, Vol. 46, No. 2, February 1975, p. 63.

prominently in exchanges between the two sides, and were discussed in the June 1976 and March 1977 consultations in Brussels and Canberra,[10] and again in June 1977 when the Prime Minister, Malcolm Fraser, visited the Commission. While Australia exported coal and iron ore to the EC, the question of uranium exports remained vexed, not least because of domestic pressure in Australia to ensure that any exploitation and export of uranium should be subject to stringent safeguards. To this end, an EC-Australian export arrangement awaited the outcome of the Ranger Uranium Environmental Inquiry on the marketing and development of uranium.[11]

The appointment in July 1977 of Mr John Howard as Minister for Special Trade Negotiations with the EC indicated how seriously the Australian Government viewed its relationship with the Community. In October 1977, he led the Australian delegation in talks with the EC, which were part of a thorough re-examination of the trade in agricultural and industrial goods, and the supply of energy and raw materials to the EC.

Even so, the question of uranium exports was to remain problematic. The general issue of Australian access to the Community for its agricultural and raw material exports became a source of further disagreement when, in early 1978, the EC imposed provisional anti-dumping duties on Australian steel exports. Mr Victor Garland (Mr Howard's successor in the re-named portfolio of Minister for Special Trade Representations) expressed the Australian Government's irritation in the strongest terms to the Commission and condemned the Community's non-participation in the new International Sugar Agreement. Indeed, difficulties regarding sugar continue to plague EC-Australian relations. Moreover, the prospect of the Community's enlargement to include Greece, Spain and Portugal caused Australia to undertake a further reappraisal of its relations with Europe in 1978.

In April Mr Garland visited EC member governments for a major round of discussions concerning Australian trade access to the Community. These discussions, the third in a series of talks at ministerial level with the EC since the creation of the Special Trade Representations portfolio, focused on a number of specific proposals made by Garland's predecessor, Mr Howard, in a memorandum covering Australia's major trading problems with the EC which were to be reviewed with EC Ministers prior to debate with the Commission.

The proposals related in particular to improving access to the Community for Australian exports, and alleviating the effects on Australia of the EC's subsidized export of surplus agricultural commodities in third markets. Mr Garland explained that this practice had led both to possible outlets for Australian goods being reduced and to a distortion in bilateral trade between Australia and the EC to the former's disadvantage. His Government 'looked for a meaningful and constructive approach from the Community. The objective should be to place the future trading relationship on a firmer and more mutually beneficial basis.' The

[10] *ibid.*, Vol. 47, No. 8, August 1976, p. 407, and Vol. 48, No. 3, March 1977, p. 149.

[11] Details in *ibid.*, Vol. 48, No. 9, September 1977, pp. 456–65, and Vol. 49, No. 2, February 1978. See also Keith D. Suter, 'The uranium debate in Australia', *The World Today*, June 1978.

EC echoed this hope, and emphasized the advantages of a more constructive and detailed approach based on longer-term economic and political interests.[12]

Commission's role acknowledged

In 1979 the informal bilateral consultations initiated by Sir Christopher Soames were transformed into regular, higher-level, ministerial talks between the Australian Government and the Commission. This indicated not simply an upgrading of bilateral exchanges but Australian acceptance and recognition of the Commission's pivotal role in the EC, especially in trade matters—an important change given Australia's initial tendencies to underestimate the Commission's significance and, like the New Zealand Government in 1973, to continue making representations to national governments, especially the British.[13] Henceforth, talks with the EC would acquire an identity of their own rather than appearing to be an extension of the multilateral trade negotiations (MTNs), and would take cognizance of broader political and economic questions.

Mr Garland's visit to EC member governments in April 1978 was followed by that of the Prime Minister in May, and consultations between Australian and EC officials in June. The June talks, and Mr Garland's subsequent October visit to the Commission, focused on the 'Howard Memorandum', but once again the differences proved irreconcilable. The Commission was mainly concerned with Australian import restrictions on a number of industrial goods, such as footwear, motor vehicles, spirits, textiles and domestic electrical appliances, while Australia continued to seek EC import concessions for Australian beef and veal, and for fruit and vegetable exports likely to compete with the output of Greece, Spain and Portugal. The EC held to its view that the solution to Australian requests regarding agricultural problems should be sought not in a bilateral but in a multilateral context: namely, within the framework of the Geneva MTNs. Thus, the Community was preoccupied with Australia's industrial protectionism, and Australia with the deleterious effects of the CAP on its exports.

Although it is true that Australia had a trade deficit with the Community and that Mr Garland had asked for appropriate outlets in Europe to redress the imbalance, the rationale for doing so was political rather than economic. Indeed, the European Parliament's Committee on External Economic Relations, reporting on Australian-EC relations in late 1978, maintained that while 'the Community as such [was] in no way responsible for the deterioration of trade relations between the two sides . . . in view of the political relationship in which Australia [is] Europe's natural partner in that region of the world, the Community should do its utmost to satisfy some of the Australian Government's demands.'[14] The Committee noted also that Australia possessed raw material resources essential to EC industry. Even so, it was not prepared to see Greek, Spanish and Portuguese

[12] *AFAR*, Vol. 49, No. 4, April 1978, p. 204; and *Twelfth General Report on the Activities of the European Communities 1978* (Brussels: Commission of the European Communities, 1979), p. 279.

[13] See the present writer, 'Australia and the Community', *European Community, op. cit.*, and 'New Zealand and the Community', *The World Today*, August 1978.

[14] PE 56.110/fin, *op. cit.*, p. 14.

products sacrificed to satisfy Australian requests—any measures to this end should be consistent with the EC's initiatives for assisting Mediterranean agriculture. The Committee also reiterated the view that the MTNs were the appropriate context for solving the existing trade problems, and advocated reducing Australia's trade deficit with the EC by improving access for non-agricultural exports. Some progress was made in this respect when, in July 1978, the EC and Australia agreed upon an arrangement for steel.

Euratom and Australian uranium

The Council of Ministers also discussed on several occasions a draft decision establishing directives for the negotiation of an agreement between Euratom and Australia on the transfer of nuclear materials. However, not until Australia and Britain had reached agreement on the supply of uranium to the UK in the 1980s could Australia hope to negotiate a similar agreement with Euratom. Even so, the latter remained doubtful, not least because the French had vetoed the Commission's request for a mandate to enter into talks with Australia owing to French reservations about the division of legal responsibility in the sphere of civil nuclear policy between national governments and the EC.[15] For its part, the Commission had blocked the Anglo-Australian uranium draft agreement, which had been submitted in June 1978 by the British Government in accordance with Article 103 of Euratom. The Commission's concern was to ensure that the Anglo-Australian provisions did not conflict with those of Euratom regarding the free movement of uranium in the Community and arrangements for its re-export to third countries. The Commission will review the operation of the agreement in 1982 if no EC-Australian uranium safeguard arrangements have been negotiated by then.[16] The Australian Government's policy regarding the re-export of Australian uranium, as outlined by the Government following the submission of the Ranger Report, complicated matters still further. To circumvent the difficulties, at the Commission's request, Britain drafted an annex to the Anglo-Australian agreement precluding the Australian Government from interfering in re-transfers within the EC, and stating that re-exports to countries outside the Community should be the responsibility of Euratom. The Council of Ministers then approved directives on an EC-Australian agreement on 18 September 1979, and an initial round of negotiations between the Commission and the Australian Government took place on 30 October and 1 November with a view to agreeing on a framework for the supply of Australian uranium to the Community. The conclusion of a Canadian-Euratom agreement on 16 January 1980 led to Australian optimism in respect of its own negotiations with the EC since the Canadian-Euratom pact included many of the stringent safeguards wanted by Australia.

The improvement in trade prospects for Australia's non-agricultural exports to the EC was marked by increases in its coal exports to the Community from 2·7 million tonnes in 1973–4 to 7·4 million tonnes in 1977–8 (mid-year figures).[17]

[15] The French were interested in giving Australia technological aid to help it develop uranium enrichment facilities. *Financial Times*, 4 March 1980.
[16] *Ibid.*, 6 July 1979. [17] *AFAR*, Vol. 50, No. 7, July 1979, p. 438.

While Australia was anxious that this trade should not be prejudiced by EC su sidies to increase domestic coal production, its coal exports to the Communi continued to rise in 1979. Simultaneously, following a series of meetings with t Agricultural Commissioner, Finn Olav Gundelach, it became clear that even optimum demands concerning access for agricultural products could not be m a satisfactory bilateral settlement between Australia and the Community could reached within the context of the GATT round on MTNs.

New package

On 29 May 1979, Mr Fraser announced that several months of intensive neg tiations in Europe, and meetings in Canberra in May between Mr Gundelach a Mr Garland had resolved all outstanding issues. A package agreement provid Australia with more favourable marketing opportunities in the EC for agric tural products, especially beef and cheese, as well as for industrial exports; and t Community with concessions on agricultural and industrial items. The packa was subsequently approved by the Australian Government and the EC Council Ministers. On 25 July came Mr Fraser's announcement that regular high-le consultations between Australia and the Commission, which he had proposed the Commission's President, Mr Roy Jenkins, in June 1977, were to be held. H regarded this as a vindication of Australian policy, not least because two yea earlier it had proved impossible to secure the Commission's acceptance of such bilateral arrangement: not surprisingly, given the EC's insistence that tradi problems between it and Australia—over which there had been often acrimonio exchanges—should be dealt with in the MTNs.

The first of the regular annual consultations took place at the end of April th year in Canberra. The EC delegation was led by the Commission's Vice-Preside Wilhelm Haferkamp, and, as expected, the talks concentrated on the old issue Neither Australia nor the Community was content with the agreement secured the MTNs. Australian representatives continued to plead for more liberal acce to the EC for agricultural exports, while the Community called for a reduction Australian tariffs on EC industrial items, notably cars and textiles. The two-d meeting resulted in a decision to hold further talks at 'experts' level. Although M Haferkamp described the meeting as a 'milestone' in EC-Australian relations, t talks were inconclusive. Yet, their real significance lay in their having been co vened and in their being symptomatic of the start of a more constructive phase relations between Australia and the European Community.

Mexico—the West's latest oil well

DAVID J. NEWTON

THE oil embargo imposed by the Organization of Petroleum Exporting Countries (Opec) in the winter of 1973–4 and severe price rises made clear that alternative sources of energy would be required if the industrialized nations were not to face a future of restricted, high-price petroleum fuels. Opec members have also increasingly questioned the role of oil revenues within their national development plans. The conclusion that an optimal strategy might involve leaving a greater part of the oil in the ground is a major source of concern for the user nations. The demand and supply position remains so tight that any economic or political upheavals in the leading Opec countries could cause severe shortages. The delicacy of this situation has been demonstrated by the recent American-Iranian crisis, and the sensitivity of the West to Russia's moves towards the Middle East (although it is doubtful that an attempt to secure oil supplies was a major factor behind the invasion of Afghanistan).

In this situation, Britain and America are turning increasingly towards their own considerable natural resources, as well as exploring alternative sources of energy. Many such solutions are long-term, whilst an alternative short-term course is to encourage an oil producer operating outside the Opec bloc. Thus Mexico, long the scene of political intrigue, has once again become the focus of international attention as the country's proven natural energy resources grow to significant proportions.

Mexico's reserves

Mexico, a country of over 66 million people, per capita income of under $1,000, a trade deficit of over $3,000 million (1979) and 17·8 per cent inflation, is in the middle of an oil bonanza which is rapidly surpassing all of the reputedly high expectations of the early 1970s.[1]

During the past five years the country's proven resources have climbed to 50 billion barrels of oil (forecasts suggest over 200 billion could exist within Mexican territory) and 90 trillion cubic feet of gas.[2] At present, daily output of 2 m. barrels represents no real threat to the massive natural resources of the Opec countries—which export over 30 million barrels a day (b.a.d.)—but continuing success by Pemex, the Mexican state oil company, in finding new sources of crude oil and natural gas means that, by using technological and managerial expertise available in the West, production could reach 5/6 million b.a.d. in the 1980s.

[1] *Financial Times Survey*: Mexico, 11 January 1980.
[2] *Los Angeles Times*, reprinted in *International Herald Tribune*, 19/20 May 1979, and Central Intelligence Agency, *The World Oil Market in the Years Ahead*, Washington 1979.

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Mexico commands increasingly higher prices for its fuels, and January 1980 saw natural gas begin to flow across the border with America at a price of $3,625 per 1,000 cubic feet (to be revised quarterly by an Opec related formula).[3] The problem is no longer one of seeking overseas customers for these natural resources, but to control exports and revenue flows in the face of insistent demands for increased supplies, particularly to the United States.

President Lopez Portillo is very conscious of the inherent dangers of an unrestricted influx of oil revenues. The government fears becoming overdependent upon the export of raw materials at the expense of its embrionic manufacturing and service sectors. Oil monies will support established investment priorities rather than aiding specific areas of deprivation.

Currently Mexico exports 750,000 b.a.d. and President Portillo takes every opportunity to state that a ceiling of 2·25 million b.a.d. will not be broached during his presidency. Although, domestically, petrol is only 37p a gallon, the government shows concern for energy conservation and the need to charge realistic fuel prices, supports the development of alternative energy sources and fears that the country's unstable economy may be adversely affected by sudden inflows of petrodollars. Higher levels of inflation could result from an overheated economy as is apparently happening in Venezuela.

Complaints by the US Department of Commerce over the 30 per cent rise in oil prices in January to $32 a barrel have irritated the Mexicans, and General Galvan, the Defence Secretary, has even called for increased military security around the oilfields. Even allowing for such friction and a restricted output, it would still appear logical for Mexico to call on a willing United States for technical and financial aid. If Mexico can be persuaded to do so, then it could become a major element in the world oil supply position, especially as the country is not a member of Opec and refuses to sell to the spot market on principle, although it could earn considerably more revenue by doing so.

However, Mexico may not automatically become the West's oil saviour. To understand its reticence to accept American help and to satisfy the West's oil requirements one needs to examine two important aspects of the country's history: first, the economic relationship between the Mexican government and the oil majors during the initial development of the country's oilfields; and, secondly, the political relationship between Mexico and its largest neighbour, the United States.

Historical perspectives

Since the early days of oil production, few countries have been as nationalistic about their resources as Mexico, the first country to nationalize the industry and one which has jealously guarded its right to develop its reserves at its own pace.

In 1876, Porfirio Diaz became the leader of Mexico and the commercial exploitation of oil began with heavy investment by British and American companies. Diaz preached 'social advancement by industrial modernization'.[4] A revision of the

[3] This will rise to $4,470 during 1980.

[4] Antonio J. Bermúdez, *The Mexican National Petroleum Industry: A Case-Study in Nationali-*

Mining Code in 1884 changed the traditional Spanish law of state ownership of sub-soil mineral rights. Instead, the owner of the surface land controlled whatever lay beneath it. The Petroleum Law of 1901 allowed the oil companies to buy unlimited concessions. During Diaz's thirty-five-year rule (1876–1911) the foreign companies were played off against each other whilst the competition guaranteed personal rewards for the President.

In the Mexican revolution, which led to Diaz's overthrow in 1911, the petroleum question was a definite factor as it encouraged the concentration of wealth into the hands of the few. The 1917 Constitution, written during the leadership of Carranza, returned sub-soil rights to the state (Article 27), but did little to relieve the basic Mexican anger over American foreign policies since the Mexican-American War (1846–8), when Mexico lost more than one half of its original territory. Under Diaz, the British were as corrupting as the Americans, but traditional sentiment and physical proximity encouraged the view that the Americans were the real key to Diaz's personal wealth and policies.

The revolution's popular appeal lay much deeper than the incipient iniquities of the petroleum industry, and involved a long-standing struggle for social, economic and political equality.[5] The oil companies, however, were seen to help perpetuate such inequality, and the US government became identified with the oil companies. Mexicans still remembered 1917 when US Marines occupied Vera Cruz for seven months to protect American oil interests. In 1925, the Calles–Morrow compromise temporarily ended the harsh diplomatic fighting between the two countries by incorporating Article 27 of the 1917 Constitution in renegotiated oil contracts.

The 1938 expropriation of the oil holdings began as a confrontation between national workers and foreign managers. The unionization of labour in 1936 institutionalized the increasingly bitter struggle between the two sides. A Mexican tribunal finally ordered wage increases, shorter hours and changes in labour practices. The companies refused, and finally President Cárdenas nationalized the entire industry.[6]

The US government retaliated by choosing 1939—a year of extremely low Mexican imports—as the base year for its import quotas, and banning Mexican oil bids for government contracts. This boycott lasted only one year, until the legality of Mexico's action was accepted, but it worsened an already poor political relationship. The expropriation satisfied Mexico's basic political and social aspirations rather than specifically improving the development of the oil industry.[7] Revolutionary principles and hostility to the large foreign companies were too deeply embedded to stop short of expropriation. After Mexico's experience with foreign developers, estimates of reserves have been highly conservative, with no opportunity for outsiders to make independent assessments.

In the early twentieth century, British and American oil companies were a

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sation (Stanford, Calif.: Institute of Hispanic-American and Luso-Brazilian Studies, Stanford University, 1963).

[5] *ibid.* [6] Excluding Mobil's holdings which were bought later.

[7] J. Richard Powell, *The Mexican Petroleum Industry: 1938–50* (Berkeley and Los Angeles: Univ. of California Press, 1956).

strong economic force in the country and not averse to undermining the government's political sovereignty. Successive leaders fought this threat until the Petroleos Mexicanos (Pemex) state oil company was founded in August 1940.

Capital equipment left behind was found to be in urgent need of modernization. Hostility continued over the question of compensation to the oil majors and in its early stages Pemex found it extremely difficult to obtain either finance or expertise from the Western nations. This continued until the 1950s when the US government changed its policy and offered credit facilities, but Mexico maintains an independence born of these early deprivations.

Although Mexico was originally the world's second largest oil producer (after the US), output declined as fields were exhausted. By the late 1950s, the growth of the economy necessitated oil imports greater than the counter-balancing exports. This worsened during the economic crisis of 1973–4 and only significant exploration efforts have enabled Mexico to become once again a net exporter of oil.

Relations with the United States

From 1848, when the Treaty of Guadalupe Hidalgo formalized the loss of vast tracts of land (including what is now California, New Mexico and large parts of Texas), until the present day, the government of the United States has continually taken a paternalistic and superior attitude towards its southern neighbour.

For over a century the US has exerted a major influence upon Mexico's foreign and domestic policies, and when President Echeverría took office (1970–6), the US looked to Mexico for alternative sources of energy. The new President, however, was stridently anti-American and stimulated the oil industry as little as possible to remove US pressures.

President Portillo who took over in 1976 reversed this policy, but still places restrictions upon the rate at which the US market is supplied. The need for the Mexicans to prove their independence still runs very deep, with the government displaying greater confidence in its political stability and technical capabilities than do the Opec countries. In particular, Mexico's willingness to join one of the International Energy Agency's research projects, and produce a comprehensive report on energy husbandry, is an indication that the country may play an increasingly important role as an oil producer with feet in both the Third World and the Western camp.

In recent years, the US has demonstrated greater sophistication in its relations with Mexico, but still has to prove that long-term policies can tread an uneasy path strewn with anti-yankee nationalism. Relations are still not fully harmonized because long-term problems continue to cause friction. Although the Americans are now treating Mexico as an equal partner in the field of energy, the US still handles outstanding problems with traditional high-handedness. On the issues of the salinity of the Colorado River, the drug movement from Mexico to the US and prisoner exchange programmes, agreements have been reached, but two large problems—trade tariffs and immigration—still provoke hostility. The large

amount of trading between the two nations—Mexico is the fourth largest importer and the sixth largest supplier of American goods—means that new protectionist measures on agricultural commodities significantly affect Mexico. On the immigration issue, up to twelve million illegal Mexican aliens reside in the US, taking up jobs, housing, education and welfare benefits without contributing for such privileges. America continually expels them, but Mexico takes little action.[8]

It is possible, therefore, to see why Mexico should wish to adopt a cautious approach to oil development. There are many internal pressures, however, which could cause the government to seek larger oil revenues than would accrue from a tightly constrained production target. Cynics see wider social and political issues which may lead to a softening of the Mexican line and, in particular, open up further trade links with the US.

The need for oil revenues

Mexico's potential is constrained by the huge amount of capital investment and technological expertise required to develop the industrial base and alleviate the more obvious social inequalities. President Echeverría's constant spending for popularity and Mexico's traditional demand for inflation-stimulating imports severely weakened the economy. Faced with a foreign debt of over $26 billion, President Portillo initiated a downward float of the peso to 25 pesos to the dollar. The International Monetary Fund imposed a $3 billion borrowing limit, and the President turned to the only immediate source of extensive collateral—oil. A further $15 billion is still required to finance Portillo's ambitious six-year plan.

Half of Mexico's debt is carried by American institutions which backed the peso until its devaluation in August 1976. The Federal Finance Board still operates short-term support for the Mexican currency. Keeping Mexico credit-worthy is essential for the country's development, and such help may encourage pro-US feelings.

Mexican leaders consider social stability more important than immediate wealth. The revolutionary myth of social and economic equality has been exploded and the increasing power of organized labour makes it difficult to see how the government can ignore populist demands for oil revenues to be diverted into programmes of social reform. A questioning of the established order, which has taken place in Latin America and Africa, may help translate fears of a popular uprising into a liberalization of economic and social policy.

The conservative, strongly anti-American 'Old Guard of 1938' have been replaced in industry and politics by a younger generation more aware of America's need for fuel and Mexico's need for finance and expertise.[9] Meanwhile Mexico's own domestic demand for oil has increased rapidly.

Several logical reasons suggest that the Mexicans should sell much of their supply to the Americans. Market linkages already exist, America offers finance and expertise and the physical proximity of the two nations helps (Mexican oil and gas are infinitely closer and less costly to supply, and the trading routes simpler to

[8] See Richard R. Fagan, 'The realities of US-Mexican relations', *Foreign Affairs*, July 1977.
[9] Edward J. Williams, 'Oil in Mexican-US relations', *Orbis*, Spring 1978.

protect). President Portillo has made great efforts to appease anti-American feeling and denies any pretensions to Third-World leadership or Opec membership.

Mexico's economy is diversified into silver, coffee, tourism and manufacturing, and the revenue from oil exports could help these to develop further. The country is far from the capital surplus position of the Gulf states and can usefully employ all of the capital it can obtain.

Agrarian reform failed to improve home production of basic foodstuffs, and the import bill could include 7 million tons of such produce in 1980. Mexican economists fear that the US may use this 'food weapon', i.e. making the sale of food conditional on the production of greater volumes of oil for export.

Mexico is heavily indebted and throughout 1978 and most of 1979 was the world's heaviest borrower of Eurocurrency bank credits.[10] Oil revenues are still relatively insignificant, reaching only $1 billion in 1978, a year in which the country's institutions borrowed nearly $18 billion on international markets.[11] Despite the tremendous leap in oil exports, the trading deficit is increasing. Oil exports soared to $2·48 billion in 1979, pushing total exports to $5·92 billion, but imports rose to $8·2 billion, mainly due to $3·15 billion in capital goods. This trade gap and the $7 billion needed to service the public foreign debt of $30 billion make it difficult to foresee excessive development plans being undertaken without increased oil revenues. The infrastructure exists, but it is weak. It could withstand a higher rate of expansion than that of other oil producing countries, but intricate economic decisions are involved, and Western advice could be invaluable.

Such pressures were thought to be having some effect on Mexican thinking, and experts forecast that the oil ceiling would rise to 4 million b.a.d. in 1980. Such an increase would have been possible technically, but would have flown in the face of government policy during the past three years. In the event, the Mexicans decided that they will not join the General Agreement on Tariffs and Trade (Gatt) and will limit the expansion of oil production to 10 per cent in 1980. Typically, this decision has been taken almost unilaterally, for the history of US-Mexican relations does not permit close negotiations and, increasingly, Mexico has looked to Europe, Japan and the Third World to offset overdependence on the US. However, it is difficult to see the oil industry expanding markedly without a significant increase in supply to the United States.

These pressures may outweigh the logic of a gradual economic and industrial development based on the long-term flow of oil monies. Mexico may be forced to produce greater amounts of oil than it might wish at present, in order to face future economic realities.

The 1980s will be an eventful decade for the Mexicans. Saudi-style resources create great pressures to increase production. The world may obtain increased supplies only at the expense of growing tensions within Mexican society. Meanwhile, Mexico will receive enthusiastic support from the West, remaining a vital part of world politics for as long as its oil flows.

[10] *World Financial Markets*, October 1979. [11] *Banco de Mexico*, December 1979.

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Note of the month

JAPAN'S ELECTION: RETURN TO THE 1960s

THE Japanese general election of 22 June 1980 restored to the ruling Liberal Democratic Party (LDP) the kind of secure majority in both Houses of the Diet that it had not enjoyed since the early 1970s. The LDP won a higher proportion of the vote than at any general election since 1967, a higher proportion of the seats in the House of Representatives than at any election since 1969, and more seats in the House of Councillors than at any election since 1968. The main opposition party, the Japan Socialist Party, won a smaller proportion of the vote than at any time since 1955, but managed to retain the same number of seats in the House of Representatives as it had won at the election of 1979. All other opposition parties lost both votes and seats. (The New Liberal Club (NLC), formed in 1976 by a small group of 'dissident' LDP Diet members, is a conservative group which has consistently supported the LDP in the Diet, and can hardly be regarded as an 'opposition' party.)

These were the results: the LDP won 284 seats, the Japan Socialist Party 107, and the other parties 120 among them.

These figures somewhat understate the LDP's numerical strength in the Diet. Most 'independent' candidates in Japanese elections are people who have sought the endorsement of a particular party but failed to get it for reasons to do with election tactics. If elected, they immediately join the party on whose behalf they originally aspired to stand. More than half of the 'independents' elected to the House of Representatives between 1960 and 1979 were later listed as LDP members in the Diet Handbook. There are also a few LDP politicians who are prevented, for one reason or another, from campaigning under their party's name. The former Prime Minister Tanaka Kakuei, for example, one of the most powerful men in the party, is on trial for corruption and consequently runs as an 'independent'. If we add these people, the number of seats won by the LDP rises to 292. Including members of the New Liberal Club, conservatives hold 304 out of 511 seats in the new House of Representatives.

The distribution among the various parties of the votes cast at general elections since 1960 seems to show a steady decline in support for the LDP, and political commentators in Japan have long forecast the end of the party's 'semi-permanent' majority in the Diet. The 1980s were to be the 'Age of Coalition'. If, however, we look not just at votes cast but at the whole electorate, including abstainers, a slightly different picture emerges. The proportion of the *electorate* whose votes the LDP has been able to win fell from about 50 per cent in the early 1950s to about 33 per cent in 1969, remained more or less steady through the 1970s and then rose again at the elections of 1979 and 1980. The proportion of the electorate voting for each of the other parties has also been fairly steady since the end of the 1960s. A comparison of the elections of 1979 and 1980 shows that the proportion of the electorate that abstained from voting fell by 6·6 per cent, and the proportion voting for

the LDP rose by 4·4 per cent. The proportion of the electorate voting for oth parties changed by less than 1 per cent in each case. In other words, it appears th most of the voters who abstained in 1979 (when turnout was very low by Japane standards, and the LDP did much worse than expected) but voted in 1980 (whe turnout was high) were LDP supporters. It is clear that in fact there has been stead underlying support for the conservatives throughout the period of decline in the electoral fortunes. It also appears that this support is now increasing, in line wit an apparent world-wide conservative trend.

This was the first time that elections for the two Houses of the Diet had bee held simultaneously. The term of office of members of the House of Councillors six years, election of half the members taking place every three years. Members o the House of Representatives are elected for a four-year term, but the Cabine may dissolve the House and call an election at any time. (Elections for the Hous of Representatives have been held every two-and-a-half years on average sinc the war.) The Constitution clearly assumes (but does not require) that election for the House of Representatives should take place in the intervals between th regularly recurring elections for the House of Councillors.

The reasons for this unprecedented 'double election' are to be found in th relationships among three of the leading figures of the LDP: Tanaka Kakue Fukuda Takeo and Ohira Masayoshi.

Fukuda was closely associated with Sato Eisaku, who served as Prime Ministe from 1964 to 1972, and was generally regarded as his 'heir apparent'. When Sat retired, however, it was Tanaka Kakuei who won the bitterly fought contest t succeed him as President of the LDP. Tanaka was widely accused of having use dubious methods, including bribery, to secure the Presidency. Two years later when Tanaka was forced to resign over a financial scandal, Fukuda was agai unable to gather enough support to win the Presidency, and a compromise candi date, Miki Takeo, succeeded Tanaka. Miki made himself unpopular with othe leading figures in the party by pursuing investigation of the Lockheed scandal too vigorously, and after the party's poor performance in the general election of 197 (when the LDP came near to losing its overall majority in the House of Repre sentatives) he was forced to resign. Fukuda finally became President of the part and thus Prime Minister.[1]

In the spring of 1977, the party adopted a new method of electing the President Under the old system, the President was elected by the LDP Diet members and representatives of each of the prefectural LDP Associations. Under the new system, which was designed to promote the 'democratization' of the party by bringing the appointment of the President out of the smoke-filled rooms, there was to be a primary election, in which all party members would have a vote, to choose two candidates who would go forward to a final election in which only the LDP Diet members would vote.

It was generally predicted that the highest vote in both the primary and the run-off election would go to Fukuda, the incumbent President, and Fukuda himself proposed that the candidate who came second in the primary should withdraw from the contest. He was hoist with his own petard, however: Ohira won the

[1] See Ikuko Tsukahara Williams, 'Japan: a new leadership', *The World Today*, February 1977.

primary with a handsome majority, and Fukuda himself was obliged to withdraw. Fukuda's defeat was deeply resented by his supporters. Ohira had been supported during the election campaign by Tanaka and his faction, and some of Fukuda's supporters now alleged that the Tanaka men had fought a dirty campaign. Ohira had to form his Cabinet in an atmosphere of great bitterness within the party, which was brought to a head when he proposed Suzuki Zenko for the post of party Secretary-General. This is the second most powerful office in the LDP, and Fukuda's followers maintained that an 'understanding' had been reached that it should not go to a member of the President's own faction. They objected particularly strongly to Suzuki because of his close connexions with Tanaka. Ohira proposed instead another member of his own faction, to whom it seemed likely that Fukuda's followers would take less violent exception. Fukuda himself agreed to this proposal, but several junior members of his faction threatened not to attend the special session of the Diet at which Ohira was to be elected Prime Minister. Only a small number of abstentions by LDP members was required to rob Ohira of his majority. Unwilling to risk humiliation, he put off the special Diet session, the first time for nearly twenty years that such a vote had been postponed. Eventually, the disaffected members of the Fukuda faction were persuaded to vote, in return for a promise that a special office would be set up to promote party reform and to look into 'money politics'.

In the spring of 1979, there seemed good reason to believe that the fortunes of the conservatives in Japanese politics were on the upturn. A number of prefectures and large cities replaced 'progressive' governors or mayors with conservatives, and public opinion polls showed that the LDP had a chance of regaining its 'stable majority'. Ohira called an election for October, confident of winning about 270 seats in the House of Representatives. In the event, although the LDP increased its share of the vote, it won only 248 seats on election day. Fukuda and his supporters took the opportunity to press Ohira to resign because of his responsibility for this 'defeat'. Ohira resisted this pressure, and Fukuda eventually went so far as to stand against him in the Diet in the election for Prime Minister. Ohira won by a narrow majority in both Houses.

The feud between Fukuda and Ohira continued to simmer, and in the spring of 1980 Fukuda and Miki forced the resignation of the Ohira Cabinet by abstaining, together with their followers, in a vote of no confidence brought (with little expectation of success) by the Socialists. Ohira, instead of stepping down from the LDP Presidency, as Fukuda and Miki had no doubt expected, called an election for the House of Representatives, to be held on the same day as the already scheduled House of Councillors election. Ohira died of a heart attack in the middle of the campaign, and when the election proved to be a famous victory for the LDP the problem of choosing a new President, and thus a new Prime Minister, presented itself. After much manœuvring, Suzuki Zenko, whose proposed appointment as Secretary-General had so enraged the Fukuda faction in 1978, emerged as a compromise and was elected Prime Minister on 17 July. It is probable that before long he will make way for a stronger figure.

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Giants and pygmies in the Caribbean

ANTHONY PAYNE

HISTORICALLY, geopolitical conflict is not a new phenomenon with regard to tl Commonwealth Caribbean—a region composed of the former British We Indian territories, which throughout the seventeenth and eighteenth centuri were one of the main battlegrounds on which European imperial rivalries we fought out. However, the eventual success of the British in bringing most of the tiny territories under their control and the region's subsequent long history colonialism effectively removed it from the mainstream of international politic With the advent of political independence in the 1960s the Commonweal Caribbean territories formally reappeared on the international scene, but only i the past few years have they come to constitute a new area of international con petition. Even now, of course, the Commonwealth Caribbean is not the Midd East—its problems do not automatically generate tension on the world scale.

The awakening of interest in the Commonwealth Caribbean mostly deriv from the fact that the various territories of the region have emerged from the pr tection of British colonialism at a particularly fluid time in terms of the balance power in the wider Caribbean area. The assumption had been that they would sli from formal British control into the informal—but no less effective—protectio of the United States: from the geopolitical point of view, they were located in th American 'lake' and could be expected to fall in with the traditional model American economic and political hegemony over the whole Caribbean area. Y for various reasons this has not quite happened.

In general terms, it is clear that in the aftermath of Vietnam and Watergate an in the midst of the continuing world economic crisis, the existing hierarchic order characterized by the predominance of the United States is seriousl threatened all over the world. In this respect, what has happened in the Caribbea has been no more than part of a global process. Viewed against the past, howeve the decline of American authority appears especially marked in its own 'backyard the Commonwealth Caribbean region being no exception. The Cuban revolutio in 1959 was an obvious blow, subsequently exacerbated by the conspicuou achievements of the new regime in the fields of housing, medicine and educatior This was followed by the official espousal of socialism in Guyana and Jamaica, th Grenada revolution of March 1979 and the formation of small left-wing politica groups in virtually every territory of the region. More generally, there is a growin awareness amongst the various governments that the traditional model of econo mic development that has been pursued in the region—one based on maximizin the inflow of foreign private investment from Western countries—has less attrac tion for states which have already passed through the first stage of establishing th

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basic import-substitution industries. The Commonwealth Caribbean has thus acquired much of the militancy of contemporary Third World politics and has been in the forefront of the demands for the enactment of a New International Economic Order. In short, many countries in the region are searching around for a new and more appropriate strategy of development.

This has meant that something of a vacuum has emerged in the Commonwealth Caribbean in the period since the decline of British colonialism. In the last few years, a number of powers have woken up to this situation and have begun to compete to fill the gap left by the withdrawal of the region's traditional leadership. They comprise old and new actors on the Caribbean international scene and can be conveniently divided into four groups: hemispheric powers, by which is meant the United States and Canada; old colonial powers like Britain and France; Communist powers, including the Soviet Union, China and Cuba; and Latin American powers, notably Venezuela and Mexico.

Hemispheric powers

Despite all that has been said so far, consideration of the various powers competing for political influence within the Commonwealth Caribbean must still begin with the United States itself. In a conscious attempt to stem the decline of its position in the region, the United States in the last twelve months or so has adopted a much more active stance in Caribbean affairs. The first sign of this could be seen in the State Department's declaration after the Grenada revolution of March last year that the Caribbean had become one of the world's newest 'trouble-spots'. By this it meant to draw attention to what it saw as the growing influence of Communism in the region. At any rate, it moved to strengthen its intelligence and diplomatic services in the area and responded in a very chilly manner to requests for help from the new Grenadian government.[1]

Later in the year, the 'pseudo-crisis' over the alleged presence of a Soviet combat brigade in Cuba further reinforced this new American activism. Although President Carter was ultimately unable to substantiate this charge, last October he announced a number of steps intended by his Administration to neutralize Cuban and Soviet influence in the hemisphere. At least three of these steps bore directly upon the Commonwealth Caribbean territories. They were the decisions to set up a new Caribbean Joint Task Force Headquarters in Key West, Florida, to expand United States naval exercises in the Caribbean and to increase financial aid to poor countries in the Caribbean, a number of which fall within the Commonwealth Caribbean grouping.[2]

Since these moves were announced, American warships have been seen more frequently in the Caribbean—both on 'goodwill' cruises and engaged in military manœuvres like Operation 'Solid Shield 80' which took place this May and involved some 20,000 men, 42 naval vessels and 350 planes.[3] More money has also

[1] See D. Sinclair DaBreo, *The Grenada Revolution* (Castries, St Lucia: Management Advertising and Publicity Services, 1979), pp. 301–10.

[2] See M. Azicri, 'Cuba and the US', *Caribbean Review* (Miami), vol. IX, no.1, Winter 1980, p. 51.

[3] *Caribbean Contact* (Bridgetown), vol. 8, no.1, May 1980, p. 1.

been forthcoming. In November last year, a huge conference was organized in Miami by the State Department to consider the economic and social problems facing the region. The keynote speech was given by the US Ambassador-at-large, Philip Habib, who emphasized that his government was now giving extra priority to the Caribbean and made great play of the United States' initiative in forming, under the aegis of the World Bank, the so-called Caribbean Group for Co-operation in Economic Development.[4] This body has been conceived as a sort of funnel for channelling increased aid to the Caribbean from willing donor countries and the various international lending agencies.

Behind the undoubted increase in the level of American financial aid to the region lies a definite political purpose. This is not obscured in respect of the Commonwealth Caribbean by the recent remarks of the US Ambassador to the Eastern Caribbean, Sally Shelton. In a speech delivered in Puerto Rico in February this year, Miss Shelton pointed out that the deterioration of the region's economy was 'giving rise to political instability and erosion of democratic institutions' and promised that the 'US will support progressive forces . . . who are committed to economic and social development and who respect democratic processes.'[5] Acceptance of 'ideological pluralism' was henceforth to characterize US relations with the Caribbean. Clearly, however, it is still to be the Americans who determine what is meant by respect for democratic processes. Thus aid can be foisted upon certain states in an attempt to pull them back from the embrace of socialism (e.g. St Lucia, which elected a seemingly more left-wing government in July last year, and Guyana, where the socialist policies of the government have resulted in serious foreign-exchange shortages) and refused to other states which are deemed to have moved too far in that direction (e.g. Grenada). In the meantime, the continuing display of military force, the constant warnings about Cuban influence and the evidence that US intelligence networks have in the past tried to destabilize radical governments in the region combine to raise doubts about the United States' readiness to accept the practical implications of its proclaimed toleration of 'ideological pluralism' and suggest the real character of America's renewed interest in the region's politics.

Canada is the other major hemispheric power active in Commonwealth Caribbean affairs. Although there is no real difference to be drawn between American and Canadian involvement in the Caribbean in respect of investment, banking and ownership of local resources, Canada has somehow managed to avoid the traditional image of an imperialist power and on occasion has even been regarded by the Commonwealth Caribbean territories as a source of genuine support. In 1966, for example, at a time when the region's governments felt threatened by Britain's impending application to join the European Economic Community (EEC), a joint conference was held with the Canadian government with a view to negotiating favourable terms of access to the Canadian market for many of the region's pri-

[4] Philip C. Habib, 'Text of the Keynote Speech at the Miami Conference on the Caribbean', United States International Communication Agency, 3 December 1979.

[5] Sally Shelton, 'Speech to the Caribbean Institute and Study Center, Puerto Rico', United States International Communication Agency, 29 February 1980.

mary exports like sugar.[6] However, Canada has never seen itself in so benevolent a role in its relationship with the Commonwealth Caribbean and no such benefits were granted then or since, even though a new trade and co-operation agreement was signed with Canada as recently as January 1979.

Old colonial powers

Although the British era in the Caribbean is virtually over, the United Kingdom is still an actor on the Caribbean scene by virtue of its small number of remaining colonial and semi-colonial dependencies within the region. Of the six Associated States created in 1967, four have proceeded to independence and the remaining two, Antigua and St Kitts-Nevis, are only delayed from following suit by the prior need to resolve awkward secession problems. Of the other colonial dependencies, most are so small as to demand and receive little attention from the Foreign Office. The one important exception to this is the colony of Belize. The accession of Belize to independence—an outcome as much desired by Britain as by the Belizeans—has been prevented for a decade or more by the existence of a Guatemalan claim to Belizean territory. Twice in the 1970s when the Guatemalans showed signs of intending to invade Belize, Royal Air Force Harriers had to be flown out to act as a garrison. Of late, Britain's diplomatic efforts to extricate itself from this claim upon its resources have intensified. In 1978, a British proposal to make a token cession of land to Guatemala in exchange for an undertaking that the claim as a whole would be given up was rejected by the Belize government.[7] However, very recently talks were again held between representatives of Britain, Guatemala and Belize with a view to reviving some such scheme.[8] Britain's attitude to the Belizean question is, in fact, typical of its attitude to the Commonwealth Caribbean in general. No doubt the British government has been pressed by the Americans to be more active in the fight against the spread of left-wing politics in the region, but it now prefers to deal with its former territories from its position within the EEC.

This is in marked contrast to the policy of France. France is not only bent on maintaining its own colonies or 'départements' in the Caribbean, but is also determined, it seems, to extend its influence in the direction of some of the Commonwealth Caribbean states. The latest of a number of important French political figures to have visited the region recently was M. Olivier Stirn, Minister of State in the French Foreign Ministry. During the course of his visit in February, M. Stirn floated the idea of France being granted observer status at meetings of the Caribbean Community (CARICOM) Council of Ministers, arranged with the Barbados government to hold annual meetings to discuss areas of co-operation and met up with Dominica's Prime Minister to discuss the provision of aid and technical assistance.[9] The island of Dominica is a particular concern of the French since it is situated between the French islands of Guadeloupe and Martinique and thus commands two of the sea approaches into the Caribbean from the Atlantic

[6] See Institute of Social and Economic Research, University of the West Indies, *West Indies–Canada Economic Relations* (Kingston, Jamaica: ISER, 1967).
[7] *Financial Times*, 25 January 1978. [8] *The Guardian*, 19 May 1980.
[9] *Caribbean Insight* (London), vol. 3, no.3, March 1980, p. 7.

which would otherwise be completely under French control. M. Stirn also briefly visited Grenada, where he made it clear that the provision of assistance would be easier if, as he put it, Grenada was 'truly non-aligned' as opposed to being under the wing of the Cubans. This suggests that a further motive for France's new interest in the Caribbean is its willingness to help the United States check the perceived Cuban threat in the area.

Communist powers

Because of its proximity to the United States and its traditional geopolitical position as part of the Western sphere of influence, the Commonwealth Caribbean is unavoidably of interest to the Communist powers. From the perspective of the Soviet Union, the region lies in America's 'strategic rear', where any weakening of American control inevitably shifts the global correlation of forces between imperialism and Communism to the advantage of the latter.[10] Thus even before Cuba turned to Moscow in 1961, the Soviet Union had tried to enlarge its influence in the Commonwealth Caribbean through the support of local Communist party activities. Since then it has not necessarily halted this type of activity (continuing, for example, to support the opposition People's Progressive Party in Guyana), but it has been more prepared to let the Soviet image be enhanced by association with the prestige of the Cuban revolution. However, it has considerably expanded the range of its diplomatic relationships with Commonwealth Caribbean states[11] and has entertained some of their leaders in Moscow. Increasingly, too, the Soviet government has moved to counter American naval supremacy in the Caribbean by expanding its own submarine and maritime presence in the area.[12]

The People's Republic of China has also made some inroads into the Caribbean political scene. China seems to have been primarily concerned to help the Commonwealth Caribbean countries reduce their dependence on the Western economic system without being greatly concerned about ideological conformity. Dr Williams, the Trinidad Prime Minister, made two visits to China within four months in 1975 and returned with agreements on economic, technical and cultural co-operation in a variety of fields. Guyana's Prime Minister, Forbes Burnham, was also in Peking the same year, further developing the link between his country and China which had been established as early as 1972, when the Chinese government granted Guyana a G$52 million interest-free loan. The relationship between the two countries, although not so warm now, has also involved increased trade and the provision of Chinese technical assistance on a number of development projects in Guyana, especially in connexion with the rice industry.[13] Undoubtedly,

[10] See, for example, S. Mishin, 'Latin America: two trends of development', *International Affairs* (Moscow), no. 6, June 1976, p. 54.

[11] W. Raymond Duncan, 'Caribbean Leftism', *Problems of Communism*, vol. XXVII, May-June 1978, Table 4.

[12] See James D. Theberge (ed.), *Soviet Seapower in the Caribbean: Political and Strategic Implications* (New York: Praeger, 1972).

[13] See Henry S. Gill, 'Domestic Political Competition and Foreign Policy: Guyana's Changing Relations with the Communist World with Special Reference to Cuba, China and the Soviet Union', in L. F. Manigat (ed.), *The Caribbean Yearbook of International Relations 1976* (Leyden: A. W. Sijthoff, 1977), pp. 362–4 and 374.

though, the most dynamic representative of the Communist world active in the politics of the Commonwealth Caribbean region is Cuba itself. Whatever may be the case in respect of Cuba's African adventures, in the context of the Caribbean Cuba has to be seen as an autonomous actor in its own right rather than as a pliable agent of the Soviet Union. Cuba is obviously heavily dependent economically upon the Soviet Union and, in broad terms, their interests in the Caribbean can be said to coincide. For all that, Cuban activity in the Commonwealth Caribbean represents a distinct and distinctive strand of diplomacy.

Given Cuba's location in the Caribbean—just 90 miles off the coast of Florida—and in the light of continuing American hostility to the Castro regime, Cuban foreign policy in the region is dominated by the realization that any weakening of American power strengthens Cuban security. Accordingly, the Cubans have established close diplomatic relations with the socialist governments in Guyana, Jamaica and Grenada, have called for the granting of independence to Belize and the British Associated States and have given support via the Non-Aligned movement to all moves in the North–South negotiations which seem likely to reduce the economic power of the United States. These various moves reflect Cuban anti-Americanism rather than a determination to promote Communism in the region. The fact that for a number of Commonwealth Caribbean states Cuba serves as an attractive model of political and economic development has undoubtedly led to the creation of close working relationships with particular Commonwealth Caribbean governments. During the last few years, Cuban medical teams have worked in Guyana and Jamaica, school buildings and mini-dams were constructed in Jamaica with Cuban help and now Cuban workers are helping to build a new international airport in Grenada.[14] Cuba is a source of technical expertise in the region and in respect of its relationships with the Commonwealth Caribbean it is more often wooed than wooing. Havana is becoming increasingly influential within the region but, contrary to the official American view, its influence has not been achieved as the result of a deliberate attempt to spread Communism beyond Cuba.

Latin American powers

Some Latin American powers have also been tempted to try to fill the political vacuum that has come to exist in the Commonwealth Caribbean. Of these the most successful has been Venezuela. After the oil crisis of 1973–4, Venezuela as a major oil-exporter found itself in the possession of vast amounts of 'petro-dollars'—more than could be safely invested domestically without causing unwanted inflation. In the past few years, first under President Perez and now under President Campins, it has used its newly found wealth to acquire widespread influence over the relatively poor territories of the Commonwealth Caribbean by making available to them loans for all sorts of development projects.[15]

This has not been done without bitter controversy. In mid-1975, Dr Williams of

[14] See Anthony P. Maingot, 'Cuba and the Commonwealth Caribbean', *Caribbean Review* (Miami), vol. IX, no. 1, Winter 1980, pp. 7–10 and 44–9.

[15] See James John Guy, 'Venezuela: foreign policy and oil', *The World Today*, December 1979.

Trinidad, another oil-producer and thus also a beneficiary of the new high price of energy, launched a lengthy and vitriolic attack upon what he saw as Venezuela's improper ambitions towards the Commonwealth Caribbean territories. Two speeches indicate the nature of his concern. In the first, delivered to a public meeting in Trinidad in April 1975, Williams attacked the notion that Venezuela was a Caribbean country, observing cynically, 'I expect next to hear that Tierra del Fuego is', and warned that 'the recolonization of the Caribbean is in full swing today.'[16] In the second speech, delivered to his party's convention on 15 June, he described in detail Venezuela's penetration of the economies of the Commonwealth Caribbean, reserving particular venom for a wide-ranging economic co-operation agreement signed with Jamaica a month earlier, reminded his listeners of Venezuela's long-standing (and only temporarily shelved) claim to part of Guyana's territory and denounced his regional colleagues, including Burnham, for going on a series of what he contemptuously termed 'pilgrimages to Caracas'.[17]

Although Williams has been a lone voice in the Commonwealth Caribbean in making these allegations, much of his irritation was legitimate. Contrary to the provisions of the CARICOM Treaty, which has been signed by all the Commonwealth Caribbean states and which calls for the establishment of multilateral trade relations with non-members, Venezuela has insisted on making bilateral deals with individual regional territories. Although 'recolonization' may not be the most appropriate concept to catch the essence of the process Williams was describing, there can be no doubt that Venezuela has used its oil money in such a way as to acquire very considerable influence over several Commonwealth Caribbean territories. Moreover, the scope for extending this influence seems to be there for the taking. As the price of oil continues to rise on the world market and inexorably pushes many of the countries of the region closer to bankruptcy, Venezuela could obtain even more political leverage over the Commonwealth Caribbean countries simply by offering to supply them with oil on concessionary terms. Trinidad, as an oil-producer, might perhaps be expected to step into this role on behalf of its fellow Commonwealth Caribbean states, but one of the consequences of Williams's outspokenness about Venezuela in 1975 is that Trinidad has been left somewhat isolated in regional affairs. In the absence of a Trinidadian policy on this issue, there seems no alternative for the region but to be drawn further into the Venezuelan sphere of influence.[18]

Although it has not been able to operate on the same scale as Venezuela, Mexico has also been attempting recently to extend its influence in the Commonwealth Caribbean area. This led it to sign an agreement with the Jamaican government in 1975 whereby it would have contributed part of the equity towards the building of an alumina plant in Jamaica. This was heralded in Jamaica as a classic illustration of the benefits of co-operation between Third World countries. However, the Mexican government has since reneged on the deal in a particularly peremptory manner which, as one observer has put it, underlines the fact that 'relations between countries of unbalanced financial/political weight can only

[16] *Trinidad Guardian*, 27 April 1975. [17] *ibid.*, 16 June 1975.

[18] See Trevor Farrell, 'Update on energy crisis—what has been its impact on CARICOM?', *Caribbean Contact*, vol. 7, no. 12, April 1980, pp. 11–12.

result in hegemonic behaviour and decision-making by the stronger.'[19] Such a fate ultimately awaits all the Commonwealth Caribbean territories in dealing with their larger and more powerful Latin American neighbours on a one-to-one basis.

Caribbean response

The foregoing analysis has shown that a very wide range of political actors presently are vying for influence in the Commonwealth Caribbean region. Between the contending pressures of America and the Soviet Union, Cuba and Venezuela, one may well ask: what options, if any, are open to the objects of all this activity, the Commonwealth Caribbean territories themselves? Is the area in the process of being recolonized, as Dr Williams has argued? Is there anything that can be done to prevent the region becoming once again the battleground for other people's rivalries and conflicts that it was centuries ago?

Clearly, the Commonwealth Caribbean territories do not compare in strength with any of the powers discussed. In global terms, they are all—Trinidad to some extent excepted—tiny, impoverished, dependent states. In that sense, what is happening in the Commonwealth Caribbean today is a familiar lesson in the realities of international power politics. That does not mean, however, that the Commonwealth Caribbean is powerless to react. All the powers active in the region look on it with different perspectives. They are not all simply 'imperialists' of the same type; the corollary of this is that there are differences between them that, with sufficient skill, can be exploited. If 'Divide and Rule' has long been the motto of the powerful, then 'Play One off against the Other' must become the guiding premise of the weak. Revolutionary solutions and rhetoric apart, dependence is a reality that Third World countries have to learn to live with. Its skilful management, therefore, becomes crucial and one way, at least, to lessen dependence is to divide it up, as it were, between different sources. By means of this strategy the Caribbean *can* avoid falling prey to one particular avenue of dependence and *can* maintain a certain degree of independence in the midst of big-power conflicts.

To implement such a strategy effectively, however, it will be necessary for the various countries of the Commonwealth Caribbean to co-ordinate the way that they deal with the powers that seek to influence them. As the former CARICOM Secretary-General, William Demas, has said, 'to deal with giants a lot of pygmies have to get together.'[20] The CARICOM Treaty presently declares one of the Community's main objectives to be 'the co-ordination of the foreign policies of Member States',[21] but to date this has proved to be one of the least successful aspects of Caribbean regional integration.[22] Nevertheless, the achievement of greater co-ordination in foreign policy-making is the only means by which the Commonwealth Caribbean states can so organize themselves as to combat the complicated geopolitical pressures that are currently being brought to bear upon them.

[19] Vaughan A. Lewis, 'Focus on major tasks facing CARICOM in 80s', *Caribbean Contact*, vol. 7, no. 9, January 1980, p. 6.
[20] W. G. Demas, *West Indian Nationhood and Caribbean Integration* (Bridgetown: Caribbean Conference of Churches Publishing House, 1974), p. 7.
[21] *Treaty establishing the Caribbean Community*, Chaguaramas, 4 July 1973, Article 4(b).
[22] See Anthony Payne, *The Politics of the Caribbean Community 1961–79: Regional Integration amongst New States* (Manchester: Manchester University Press, 1980), Chapter 8.

The Arab-Israeli peace process in the doldrums

LAWRENCE WHETTEN

IN the past few months, several developments have affected the Arab-Israeli peace settlement process so that a stock-taking of the state of the negotiations and their future prospects is warranted. The present situation is characterized by a number of salient factors:

(i) The deadlock in the Egyptian-Israeli talks about the status of the West Bank, which has become increasingly critical to the normalization of relations, despite the successful conclusion and implementation of the bilateral peace treaty.

(ii) Inept US efforts to break the stalemate by first voting for and then refuting a UN Security Council resolution condemning Israel's West Bank policy, thus passing the initiative by default to Mr Begin on the settlements issue.

(iii) The serious erosion of Mr Begin's domestic political power-base as shown by the resignations of his Ministers of Foreign Affairs and Defence, plummeting popularity in opinion polls and inflation reaching 120 per cent annually.

(iv) President Sadat's awareness that the main constraints against the achievement of his ultimate goal of regaining the leadership of the Arab world are not so much Arab grievances against his foreign policies as the mounting domestic pressures of inflation, underemployment, disparities in income distribution and other social frictions, the loss of government control over investment policy and increasing dependence on foreign capital and technology.

(v) The various efforts of the Palestine Liberation Organization (PLO) to secure international recognition of the Palestinians' right to self-determination; these have included the reaffirmation by the PLO's annual convention of the basic tenet of its covenant, namely the creation of an undivided secularized Palestinian state, the acknowledged PLO murders of Israeli settlers in Hebron, the formation by both sides of vigilante and counter-terrorist groups and, finally, the achievement of full diplomatic recognition (without concessions in the form of terms like a 'state-like' entity) from Austria and India.

(vi) Alternative pressures, such as the Europeans' Venice 'initiative', Saudi Arabia's unprecedented pledge to accept peace with Israel and to deliver the Palestinians to the negotiating table in return for Israeli withdrawal to the 1967 borders—i.e. Riyadh's acceptance of UN Resolution 242, and Jordan's King Hussein's attempts to convince President Carter of the rationality of the moderate Arab position that the Camp David formula is too narrow in regard of participation and conception to succeed.

Taken together, these recent developments suggest that, while no essentially

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new element has been introduced into the settlement process, political forces and interests are shifting and being realigned.

European initiative and Camp David approach

The Venice Declaration of 13 June 1980, which was not substantially different from earlier European Community statements on the Middle East, called for Palestinian self-determination and Palestinian 'association' with the peace negotiations. But a new factor was introduced with the condemnation of Israel's settlement and colonization policies on the West Bank as being illegal under international law. One participant suggested that 'somebody has got to tell the Israelis and Jews that many of their policies, notably on the West Bank, are unhelpful... If the Americans cannot do it, the Europeans will have to.'[1]

At Venice, the Europeans informally conveyed to the Begin government that the Community was prepared to pursue two approaches for a breakthrough: first, develop closer contacts with Israel's Labour opposition through party-to-party relations with Europe's Social Democrat parties; and, secondly, intensify diplomatic probings of the PLO to explore language for a UN Security Council resolution enabling the PLO to recognize Israel—a precondition for strong US and European support for the Palestinian cause.

Both Menachem Begin and Yasser Arafat, for different reasons, denounced the European 'intervention', while Senator Muskie regarded it as a help rather than a hindrance in the Camp David process. The value of this European dimension to the negotiation process is that it focuses more on the central conceptual issues involved in normalization than the Camp David approach, which is mainly concerned with a step-by-step pragmatic progression.

The central issues of the Camp David process have been: first, the conclusion and implementation of a bilateral peace treaty; second, the substance and procedures of the West Bank autonomy talks; third, complications associated with Israel's West Bank settlement policy; and, fourth, the changing terms of reference for the negotiations.

At the unprecedented Camp David summit conference in September 1978, Mr Begin made significant concessions. He acknowledged that the Palestinian question was the key to a stable peace and that the Palestinian self-governing authority for the West Bank that was to be established would supersede the existing Israeli military government. A strong local police force was to be organized. Israel would retain responsibility for strategic security during the five-year transition period. The withdrawal of all Israeli military and civilian personnel from Sinai and the relocation of Jewish settlers were to be the bases for complete restoration of Egyptian-Israeli and other bilateral negotiations under the provisions of the UNSC Resolution 242 which was to be the framework for negotiations (the Resolution is cited six times, paragraph C stating that 'The negotiations shall be

[1] *International Herald Tribune*, 16 June 1980. The timing of the Declaration was probably as significant as its contents. It was the culmination of growing public and private anxieties voiced by European statesmen touring the Middle East. Chancellor Helmut Schmidt stressed that the unsettled Palestinian question was a graver threat to regional stability and continuous oil supplies than Washington's heralded Soviet threat to the Persian Gulf.

based on all the provisions and principles of . . . 242'). Equally important from the Egyptian viewpoint, a long-standing demand was incorporated as an integral part of the accord, namely the 'Associated Principles' specifying the guidelines for Israel's negotiations with other Arab countries.

During the Washington talks beginning in October 1978, both sides registered new, unexpected demands that reflected mounting opposition to their respective concessions at Camp David. Faced at home with a growing economic crisis that could have toppled his government, Mr Begin now made significant moves to his own Right. He publicly disavowed Resolution 242, claiming that it did not apply to the West Bank. (Sovereignty in this case would pertain only to individuals, not territory, a concept that was subsequently applied.) Under strong Cabinet pressure, he accelerated the settlement programme for the West Bank, provoking growing international concern. He had apparently concluded that he had little choice but to accept either the extreme position on the expansion of settlements or the collapse of his coalition government and his ground-design for the West Bank. President Sadat's comment was that Begin had been scrupulous in fulfilling Israeli obligations under the peace treaty, but that he had raised unacceptable obstacles regarding the West Bank. 'He [Begin] wants it stated in history that he is the man who achieved peace with Egypt. He will be very wrong, because [the man] who comes after him will have the whole credit'[2]—a baleful commentary on Begin's frustrations and only partially fulfilled goals.

To maintain momentum in the negotiations, President Sadat had made several potentially serious concessions. All references to Resolution 242 were dropped from the text of the treaty and the relevance of the Camp David Accord was omitted. There was no binding commitment on Israel to comply with either the letter or the spirit of Resolution 242 or the Camp David principles. Finally, there was no statement of 'Associated Principles' in the treaty, annexes, or personal letters to govern subsequent bilateral Israeli-Arab negotiations.[3]

The reasons for these modifications of the Egyptian position have not yet been fully determined. The most logical explanation is that President Sadat misperceived Saudi opposition and Arab cohesion ('How can Egypt with one quarter of

[2] *ibid.*, 9 April 1980.

[3] The relevant documents are *A Framework for Peace in the Middle East*, Camp David, 17 September 1978, USICA; and *Treaty of Peace Between the Arab Republic of Egypt and the State of Israel*, 26 March 1979, USICA.

According to Dr El Baz, Egyptian Under-Secretary for Foreign Affairs, interviewed by the author on 19 November 1979, the Associated Principles were not included as a reassertion of Cairo's intent because they were designed to govern negotiations between Israel and all Arab confrontation states. While the treaty with Egypt corresponds closely to the principles, reference to the 'universality' of the principles or a similar wording might have eased Arab apprehensions and Egyptian isolation.

Resolution 242 was deliberately dropped by the Egyptian side because of its ambiguity and as an appeasement to the PLO, which was exploring alternative wording in a new UN position. The PLO rejects Resolution 242 because it deals only with refugees and does not recognize Palestinian political aims of national self-determination. But the failure to include any reference to Resolution 242 and the PLO's failure to produce an alternative formula left Cairo in a seemingly weakened position regarding the Israeli stand on the West Bank. This has complicated Egypt's negotiating strategy and increased the importance of the autonomy talks as an essential element for rectifying the ambivalence.

the Arab population be isolated by Arabs?' he asserted), and gambled on the assumption that Washington's stake in the settlement was sufficiently high so that, with its European allies, it could produce both more economic assistance for Egypt and more pressure on Israel.

West Bank settlements

On the second issue, that of Jewish settlements on the West Bank, the US Ambassador to the United Nations, Donald McHenry, expressed the generally shared international view of the settlements in the occupied territories as being 'illegal under international law' and 'an obstacle to the successful outcome of the current negotiations'.[4]

Recently Israel's settlement policy has undergone a series of modifications. On 16 September 1979, the Cabinet reversed a twelve-year-old prohibition against Israeli Jews purchasing property on the West Bank. On 14 October, the Cabinet released 1,125 additional acres of government land for a total of 4,750 acres on the West Bank for Jewish settlement. The highest estimate now puts the Jewish settlements in all occupied territories at 113, and Arab land has been confiscated for the construction of Jewish suburbs completely surrounding Jerusalem, which will give Israel a permanent physical grip on the city. The settlement policy evolved into plain colonization after the murder on 31 January 1980 of an Israeli settler in Hebron. On 10 February, the Israeli Cabinet lifted a de facto ban against Israeli settling in predominantly Arab towns or quarters, including the 56 buildings formerly owned by Jews in Hebron. (However, the formal decision authorizing repossession has been delayed.)

Emotional arguments over the rights of Jewish settlements have clouded the central issue. The core problem is the sovereignty of the occupied territories. If a Jew settles in Cairo, he must accept Egyptian law and cannot demand the extension of Israeli law to protect his person, property and civil rights. Israel's colonization policy is based on the notion that sovereignty over the West Bank is somehow divisible: Israeli law now follows in the wake of Jewish settlements; in the future, the Palestinians are to be granted limited jurisdiction, but Tel Aviv will retain overall sovereign authority. No one would challenge the rights of Jews to settle in Hebron if they accepted Palestinian law and sovereignty rather than demanding, as it were, extraterritoriality and imposing colonialism.

What kind of autonomy?

The autonomy talks are deadlocked on the straightforward but complex issues of voter rights, voter eligibility, property ownership and land acquisition and, finally, sovereignty. To take but one example, on the issue of jurisdiction, Egypt insists that the present military government cannot merely be withdrawn and thereafter return; it must be genuinely replaced. Even during the transitional phase, *all* legislative, judicial and executive authority (except foreign relations and territorial defence) must be transferred to Palestinian bodies. After the five-year interval, Cairo anticipates a reversion to some sort of confederation between the

[4] *New York Times*, 22 March 1980.

West Bank and Amman in a modified form of the former Trans-Jordan model.

In contrast, Israel has introduced an 18-point programme for autonomy, which is tougher than the original 1977 26-point plan. The Israelis insist on perpetuating their control over the existing government lands (28 per cent of the West Bank) and all water resources, currency, banking, taxes and budgetary matters, fuel and power, Jewish civilian settlements, communications, including radio and television, and internal and military security. Under the Israeli plan, the Palestinian Council would have jurisdiction over agriculture, health services, religious affairs labour and welfare, transport, education, municipal police and partial judicial administration—those thorny functional chores. Israel proposes that after five years the inhabitants of the West Bank would be offered either Israeli citizenship or emigration and Jordanian citizenship. The West Bank would then presumably be formally annexed by Israel.

As the European initiative indicates, it has become increasingly apparent to all parties that 'peace' itself is not enough. Pragmatic questions have now emerged about how normal relations should be conceived between rival ethnic and religious groups demanding possession of contested territory in pursuit of national identification. They are having a subtle effect on the negotiating terms of reference for all participants.

A sizeable number of Israelis regard the retention of the West Bank not merely as a vindication of Biblical claims and, therefore, of Israel's political legitimacy, nor even as a security requirement: it has become a spiritual necessity for them as they face the reality of living with Arab neighbours and the uncertainties of integration into the Middle East. Former vague debates about normalcy must now be transformed into precise policies. The questions that must be addressed squarely are: What types and levels of integration with Arab states are tolerable without endangering the complex and delicate relationship between Jews and Palestinians within Israel? To what extent can economic and political interchange be encouraged with Arabs without stimulating social assimilation? Can Jewish non-assimilation be best preserved by integration and identification with the oil-rich Middle East or with oil-dependent Europe? Is it conceivable that the Jewish character can survive 'living on the margin' of both societies, that is, maintaining Israel's Jewishness by balancing between the two cultural and economic poles?

Conversely, Arab intellectuals and officials have their own questions about the nature of the presumed normalcy: if the West Bank is becoming a spiritual fount of Jewish strength against assimilation, can Palestinian aspirations for national identification be achieved in a non-secularized society? If Israel feels increasingly threatened by potential pressures from a West dependent on Arab oil, how can it be persuaded to accept full regional integration and thereby offset the existing geographic anomaly of being a Western island in the Middle East? Given Israel's technological prowess, can the Arab states deal with the 'Japanese of the Middle East' on Arab terms without endangering 'normal' relations, or should they intensify economic links with the industrialized countries and minimize commercial contacts and interactions with Israel? If contacts can only be expected to develop mainly on the level of functional issues, such as water conservation,

tourism, communications etc., should the Arab states use informal, discreet discrimination against Israeli economic penetration as a lever to ensure final Israeli acceptance of full civil rights for its Arab citizens?

Alternative proposals

While the European 'initiative' focuses attention on the central problem, it offers only limited prospects for breaking the deadlock in both Egyptian-Israeli and Egyptian-Arab relations. Several alternatives have been proposed and should be reconsidered. One has been the creation of a Palestinian Provisional Government (PPG) in exile. The proposal has seldom been examined seriously because of the rifts within the movement and recognition that attempts to close ranks would probably weaken, not strengthen, the PLO.[5]

The formation of a PPG assumes strong Arab support for the imposition of greater centralized control that would elevate the issue of creating an internationally acceptable Palestinian authority above that of bitter factional disputes. By its mere creation, a PPG would represent the moderate majority views prevalent among the scattered Palestinians—i.e., internationally recognized national identification first, statehood when possible. As envisaged, the PPG would dissolve the present PLO and the 'National Assembly' as redundant structures, and would seek universal representation, i.e., freely elected representatives from the Diaspora, the West Bank and Gaza. The PPG would assume legislative and judicial authority for the administrative responsibilities now exercised by Jordan or the envisaged autonomous council over the local West Bank and Gaza governments, representational duties for Palestinians in foreign countries, and liaison with both Jordan and Israel. The prevailing economic dependency of the West Bank on both Israel and Jordan would presumably influence and moderate the policies of the PPG, which could lead to mutual recognition by Jordan and Israel and, finally, to national independence or some form of confederation with Jordan.[6]

There are several advantages to this proposal: (i) A legitimate framework would be provided within which Palestinians could establish national ideals and policies, as well as exercise responsible political leadership; (ii) The security question could be avoided until Israel was satisfied about Palestinian moderation and good intentions and assured of this through the demilitarization of the West Bank; (iii) Palestinian demands to have a government before federation in order to preclude excessive Jordanization by the stronger establishment could be satisfied; (iv) A moderate PPG need not become a threat to the Hashemite monarchy, though it would probably be a liberalizing influence; (v) Organizing the various components of the Diaspora into representative constituencies would accelerate the political process and enhance the sense of national identification; (vi) A PPG would provide an institutionalized political entity that could grant (and

[5] The risks were stressed in discussions of the author with officials from Libya, Algeria, Iraq, Syria and the PLO in June 1979. See also the *New York Times*, 15 June 1979. The PLO argues that the most effective means of controlling its radical factions and promoting moderation is through the tempering influence of US and West European recognition.

[6] There is seemingly strong support for a PPG in Egypt, but with the acknowledgement that it would be difficult to achieve without Syrian and Iraqi endorsement.

receive) international recognition, especially to America; (vii) The thorny border issue could be side-stepped; (viii) The relevance of political guarantees by external powers would be minimized; (ix) Despite the contentious nature of the Jewish settlements on the West Bank, they would serve as hostages for Israeli good behaviour, as observance of the human rights of Arab Israelis would encourage respect by the Palestinians; and (x) A PPG could minimize the often predicted confrontation between the West Bankers who remained and suffered and the returnees who fled and often led luxurious lives, so that moderate opinions could prevail. While the creation of a PPG is an awesome task that would require unprecedented Arab unity, it would give the PLO much greater leverage in manipulating the autonomy talks than it now seeks through Western recognition,

An alternative from the Israeli side is the so-called Peres Plan, named after the leader of the Israeli opposition, which is a refinement of his earlier confederation proposal.[7] Peres maintains that the issue of Israeli-Palestinian accommodation is unique in modern political history and requires equally unprecedented institutional innovations. The Plan envisages the formation of democratically elected local and provincial (West Bank and Gaza) governments. A Board of Regents would be established with equal representation from Israel and Jordan and a rotating chairmanship. It would initially supervise the formation of a Constituent Assembly that would enact constitutional provisions for provincial and local institutions and guidelines for relations with both Jordan and Israel. Later the Board would confine its activities to mutual security and foreign affairs. Ultimately, a three-state confederation could be created.

The plan has several advantages: (i) It avoids the ideological issue of the divisibility of Israel; (ii) It treats the issue of the return of the refugees realistically: a major destabilizing influx is not expected (Hebron is vastly different from Kuwait); (iii) It would reinforce the existing economic interdependence between Israel, the West Bank and Jordan; (iv) It would preserve the existing Jordanian legal, educational and civil service systems on the West Bank; (v) International terrorism and irredentism would become an Arab problem and local terror would be dealt with by all three entities; (vi) Electronic surveillance systems and military patrols on the Sinai model along the Jordan Valley would suffice to preclude military surprise by either side.

The Plan has qualified appeal in Jordan, both for the 'East Bank first' faction, which is led by the Crown Prince and fears the Palestinianization of Jordan, and Hussein's 'reunification' faction, which is apprehensive about onerous security responsibilities but views the return of the West Bank as essential for national honour.[8] There is also growing support for the plan within the Israeli opposition and among moderate circles as a viable alternative to the Likhud's present policies. But strong pressure from the Western world will be required to induce the necessary flexibility for its adoption.[9]

[7] Interview with Shimon Peres by the author in April 1978. See his 'Strategy for a Transition Period', *International Security*, Winter 1978.

[8] Interviews conducted by the author in Amman in April 1978.

[9] For more tactical and immediate options, see Avi Plascov, 'The "Palestinian gap" between Israel and Egypt', *Survival*, March/April 1980.

Such suggestions are designed to reinforce the central argument that a durable settlement and the creation of an atmosphere conducive to harmonious relations require changes within both Israel and the Palestinian movement that will allow moderate opinions to prevail, thus reconciling their respective priorities, namely national security and national identification. Responsibility for inducing these shifts must be shared by the industrialized countries and the moderate Arabs. The next tactical move should be the mutual acknowledgement of these responsibilities and informal discussions of a co-ordinated programme to promote these goals simultaneously. Indeed, it might be argued that the strongest leverage for moderation could be the mutual awareness by both Israelis and Palestinians that the forces for moderation can and are being stimulated within their respective societies.

Conclusions

There are three central issues at stake in the Palestinian question. The first one is the definition of the character, location, aspirations, institutions and values that should be adopted by the inhabitants and supporters of the Palestinian homeland. The Palestinian factions and their respective sponsors remain deeply divided on these fundamental issues. Existing ideological fissures have been reinforced by several tactical considerations that have strengthened PLO intransigence: (*a*) international recognition is regarded as a legitimate right for a national liberation movement, even if it does not exercise the power and authority of government or statehood—to make concessions to achieve these aims would only weaken the expected legitimization of the movement; (*b*) insistence on broadening the basis of the negotiations stems from the perceptions that Palestinian demands for statehood can be legitimized further by more widespread Arab and Soviet support, without ultimately jeopardizing Palestinian national interests; (*c*) a temporary coincidence of interests exists between the Soviet Union and West Europeans for expanding the negotiations; first, however, the Begin government must go.

Thus the Palestinians see little advantage in resolving their internal differences and exploring alternative approaches. If Peres or Weizman agree to halt the creation of settlements and to relinquish full sovereignty over the West Bank, as both have pledged, Jordan with Palestinian representation might be induced to enter the talks. (Since 1974, Jordan and the PLO have demonstrated a high degree of co-operation, for example, in administering Arab money donated to the West Bank.) Even with such Israeli concessions, the Peres prescription for a Palestinian entity is likely to remain elusive in the short term and the formation of a government-in-exile would be an important intermediary measure.

The second central issue is the rationalization of Jewish non-assimilation into the Middle Eastern culture. The colonization policy is a clear indication that Tel Aviv expects to deal with the Palestinians from a position of unquestioned strength. Israel maintained this attitude towards Egypt until it was finally convinced that the rewards offered by peace outweighed sacrifices necessary for continued superiority. But after 30 years of independent nation-building, polls indicate that the majority of Israelis have nurtured sufficient inner fortitude and self-confidence as a people

to be able to relinquish the West Bank without endangering their future as a viable state and a prosperous society preserving its own values.

Reliance on spiritual strength, admittedly, is as difficult to stimulate from abroad as it is hard to measure within the society. Indeed, Israelis are deeply divided among themselves on this issue. The Peace Now Movement[10]—whose motto is 'A land of peace instead of a piece of land'—exhibits the necessary self-assurance. Others fear that, without Judea and Samaria, Israel will eventually be destroyed. However, the Labour opposition argues that, with the West Bank, Israel will eventually become a bi-national state, jeopardizing the entire concept of assimilation. For still another faction, the final guarantee for non-assimilation remains physical security; the crucial question for this group is whether security should apply only to Israel proper or must be extended to the expanding number of settlements, thus requiring indefinite military occupation and ultimately annexation of the West Bank.

Unless Israel is prepared to rely on the inner strength of Jewish consciousness, a new contextual framework may emerge that could endanger both the autonomy talks and the comprehensive settlement. It would be characterized by broad international recognition of the PLO in exchange for its apparent renunciation of terrorism and its new image of moderation and respectability, and by increasing international isolation of and indifference towards Israel for its radical settlement policy, for its determination to deal with the Palestinians from a position of strength and for its avowed policy of reinforcing its sense of superiority by 'living on the margin' of Middle Eastern societies.

Begin's colonization policy is likely to be regarded by Israeli historians as having been an indispensable intermediate phase in Israel's development. 'Beginism' has inadvertently forced the Israelis to face themselves; to address themselves to those questions about Jewish consciousness and regional integration earlier government leaders discussed but failed to resolve. While 'Beginism' is being gradually refuted by an increasing number of Israelis, future analysts are likely to conclude that it has been a significant contribution to Israeli history.

The third central issue is the dilemma of how to save Egypt from itself and restore it to the primacy of Arab leadership. Egypt has performed a remarkable synthesizing process between Asian and African, Arab and European, Moslem and Christian, developed and less-developed cultures and societies. This feat has permitted it to accommodate still another alien culture—Israel. To do so, it has had to pay heavy domestic penalties. No other Arab state has this background or could have opened the door to Israel. But peace will not bring prosperity, as many Egyptians expected, unless Cairo can be reintegrated into the Arab League and petrodollars are once again invested into a seriously endangered Egyptian economy. An economically and politically faltering Egypt would have profound consequences for the resolution of Arab-Israeli grievances and possibly destabilize the region, thereby severely endangering the bargaining chances of both the Israelis and the Palestinians.

[10] See Yehonathan Tommer, '"Peace Now": popular protest in Israel', *The World Today*, July 1978.

East Germany in Black Africa: a new special role?

GEORGE A. GLASS

On 13 November 1979, Erich Honecker and Mengistu Haile Mariam laid the foundation stone for the first Karl-Marx-Monument on the African continent in Addis Ababa, Ethiopia. This visit of the East German state and party leader was symbolic of the increasingly important role the German Democratic Republic is playing in Africa. Primarily in Ethiopia, Angola and Mozambique, the GDR has developed a broad-based presence as well as extremely close co-operation on a number of fronts over the past three years.

The East German presence in Africa is a relatively recent development. In 1953, the GDR signed a trade agreement with Egypt and followed it five years later with one with Guinea. Between 1958 and 1968, numerous commercial pacts, cultural centres and friendship organizations were set up, although during these years East Germany was still suffering from a lack of official diplomatic relations with countries in the world at large, and in Africa especially. This had been an effect of both the Cold War and the Hallstein Doctrine, which was applied by its West German economic and political rival right into the 1960s. However, the new *Ostpolitik* in Europe led to détente whose impact was felt on the African continent as well. In 1969, the Sudan was the first country to take up diplomatic relations with East Germany. Other African nations soon followed in establishing formal relations with the GDR, encompassing aid and co-operation in such areas as agriculture, education, medicine, technology, security and defence.

But the real turning point for East German policy in Black Africa came in 1973. In that year the GDR became a member of the United Nations and East German military advisers were seen in Brazzaville, Congo, for the first time. Apparently during this period East Berlin also established its first contacts with and offered assistance to Agostinho Neto's Popular Movement for the Liberation of Angola (MPLA) and to Samora Machel's Front for the Liberation of Mozambique (Frelimo). Thus, when the Portugese withdrew from Mozambique and Angola in 1975–6, the East Germans gained the chance to intensify and expand their African policy.

Political groundwork

The GDR's active participation in national liberation movements and the 'anti-imperialist' struggle of the Third World is relatively new. However, the East Germans now see the time as being ripe for a new policy due to changes within Africa. Klaus Willerding, Deputy Minister of Foreign Affairs for the GDR, recent-

The author, formerly a member of the research staff at the International Institute for Politics and Economics, Haus Rissen, Hamburg, is now a guest researcher at the Atlantic Institute for International Affairs in Paris.

ly noted, 'The new quality of social processes in countries of socialist orientation produces simultaneously new trends in their international relations... This manifests itself clearly in the Treaties of Friendship and Co-operation which were concluded by the GDR with the People's Republic of Angola and the People's Republic of Mozambique.'[1]

Though the GDR has relations with over forty African countries at present, it is interesting to note that it has apparently decided to concentrate its efforts on a limited number of countries and political groups. Primarily, GDR support has focused on the MPLA in Angola, the South West African People's Organization (SWAPO) in Namibia, the African National Congress (ANC) in South Africa, Joshua Nkomo's (ZAPU) and Robert Mugabe's (ZANU) Patriotic Front in Zimbabwe Rhodesia, the Frelimo government of Mozambique and the current Ethiopian government. Zambia maintains a somewhat neutral position though playing host to both GDR visits and Joshua Nkomo's guerrillas earlier. East German support for the main black liberation movements is greatly facilitated by good 'brotherly' relations now with Angola, Ethiopia and Mozambique.

The number of official visits between the Black African countries and East Germany since 1978 leaves little doubt about the GDR's interest in expanding its role on the continent. In April–May of 1978, General Heinz Hoffmann, the East German Minister of Defence, was in Angola, Guinea Bissau and Congo-Brazzaville for the first time. Nine months later, the General Secretary of the Socialist Unity Party (SED) and Chairman of the Council of State, Erich Honecker, made his début in Africa, visiting Zambia, Angola and Mozambique; he signed long-term treaties of friendship and co-operation with Angola and Mozambique, and issued a joint declaration with Zambia. Three months thereafter, General Hoffmann was again in Africa, visiting Zambia, Mozambique and Ethiopia. On his most recent African trip last November, Honecker, at the head of a large delegation of Politburo leaders, concluded a Treaty of Friendship and Co-operation with Ethiopia. The GDR has far outdone all other East European countries, with perhaps the exception of Romania, in visits, agreements and other exchanges.[2] Indeed, a recent visit by the East German party leader to Africa was described as a 'high-point in the history of the foreign policy of the GDR'.[3]

During these official visits, talks were also conducted with Joshua Nkomo, Robert Mugabe, Sam Nujomo of SWAPO, and ANC leaders, all then representing the black guerrilla movements directed against Zimbabwe Rhodesia, South-West Africa (Namibia) and South Africa respectively. East Germany was the only European Communist country where all three of these movements were represented 'with missions enjoying a semi-diplomatic status', and their organizations received approximately 30 million Marks in GDR assistance in 1978 alone.[4] The GDR was

[1] Klaus Willerding, 'Zur Afrikapolitik der DDR', *Deutsche Aussenpolitik*, 24. Jahrgang 1979, Heft 8 (August), p. 14.

[2] William F. Robinson, 'Eastern Europe's presence in Black Africa', *Radio Free Europe RAD Background Report/142*, 21 June 1979, p. 8.

[3] Willerding, *op. cit.*, [illegible] 5.

[4] RFE/RL correspondent's report (Munich), 'Erich Honecker: the multi-purpose traveler', 19 February 1979.

also the first East European country to take up relations at party level with Frelimo and the MPLA and, as Bernard von Plate notes, this 'points to a certain pace-setting role for East Berlin within the framework of a co-ordinated foreign policy conducted by the socialist community of states'.[5] The SED invited Joshua Nkomo to visit East Berlin in 1977, and in early 1978 he returned again to open a ZAPU office there. In December 1977, Sam Nujomo visited the East German capital and an agreement on co-operation between the SED and SWAPO was signed for the year 1978/1979.

Exchanges of visits, information and experiences enabled the GDR to assist in the construction and organization of leadership cadres with the proper ideological outlook not only in the African parties but in the population at large. Thus the building up of mass-based parties is facilitated in these countries where mass consensus was previously lacking—either because of apathy towards politics or a lack of ideological confrontation. The party contacts and the establishment of cadres can also be seen as an important second channel of relations between East Germany and Black Africa. This could become important not only with regard to domestic problems but also in developing common positions in foreign affairs questions.

Even the Free German Youth (FDJ), the SED youth organization, has contributed to this process by organizing thirteen 'Friendship Brigades' that are working at present in seven African countries. Since 1964, when the first brigade was formed, some 1,500 Africans have been trained in them.[6] In Angola, over one hundred young people, organized in five brigades, are currently assisting in the development of a transport system, truck construction and repair, and teaching mechanical skills to the population. FDJ members are also helping in Mozambique with the training of skilled workers. In addition, the FDJ, SED and other East German non-state groups invite Africans regularly to the GDR for training as technicians, journalists etc. Such broadly based exchanges have the objective of building up mass support for the local government, as well as establishing a 'revolutionary consciousness' that is expected to further the interests of both 'socialism' and the GDR. The aim is to strengthen state relations in such a way that an irreversible contribution is made to the world 'correlation of forces', which is supposedly changing constantly to the advantage of Communism.

The GDR recognizes the possibility of setbacks in policy towards Africa as occurred, for instance, in Egypt, Somalia etc.—therefore it proceeds with great caution. In its analysis, the ideological aspect of East Germany's foreign policy, while perhaps important for its unity and legitimation, matters little more than the achievement of concrete alliances and state goals. These goals are broad and often difficult to define, but it is generally agreed that, in the earlier years at least, Africa offered East Germany a chance to increase its prestige and profile on the world stage and emerge from its long isolation after 1949. The growing exposure and contacts in Africa are also important for establishing common

[5] Bernard von Plate, 'Aspekte der SED-Parteibeziehungen in Afrika und der arabischen Region', *Deutschland Archiv*, 12. Jahrgang, February 1979, pp. 134–5.
[6] Uwe-G. Klenner, 'Bilder aus Westafrika', *Prager Volkszeitung*, 26 October 1979, p. 8.

positions and support on various issues in international organizations such as the United Nations, while simultaneously increasing the GDR's own strategic and military importance (also within the Warsaw Pact and vis-à-vis the Soviet Union) in an indirect way.[7] All these considerations add up to make the political co-operation with Black Africa an important asset for a rather small country such as the GDR.

Economic links

By the end of 1977, East Germany had concluded trade and other agreements on scientific-technical co-operation with twenty African countries, including Ethiopia, Angola and Mozambique. Since that time, economic relations with these three countries have developed relatively rapidly. Nevertheless, it should be noted that trade with developing countries as a whole was only 4·9 per cent (4·3 per cent in 1960, 4·0 per cent in 1970, 4·4 per cent in 1975) of the GDR's total trade turnover in 1977;[8] of this only 0·784 per cent was with sub-Saharan Africa.[9] Though this amount is very small, the increasing trade with the three key countries in Black Africa has prompted Dr Michael Junghahn, from the GDR Ministry of Foreign Trade, to comment that, 'Socialism has now also established itself on the African continent. Progressive social forces have made themselves visible primarily in the People's Republics of Angola and Mozambique as well as in Socialist Ethiopia... Within these increasingly expanding relations with the young nation-states, foreign trade plays a central role because it reflects in a concrete way the extension of other forms of economic co-operation.'[10]

An important aspect of the trade relationship between East Germany and Black Africa concerns the structure of trade. Angola has resources of crude oil (one-fifth of total exports), coffee (one-sixth of total exports), diamonds, ores, sisal, wood, fish and fish products. Ethiopia exports primarily coffee (one-quarter to three quarters of exports), livestock products, oil crops, husk produce (6–15 per cent), and gold. The main exports of Mozambique include cotton, sugar, cashew nuts, copra, wood, sisal and ores. In the Fisher World Almanach of 1980, East Germany is not listed among the major trading partners for any of these three countries.

Despite their important and valuable resources (oil, diamonds, ores etc.), it is interesting to note that the GDR only seems to import agricultural items, mainly coffee and husk products.[11] Though the case is sometimes made that East Germany is interested in the mineral and oil resources of Black Africa—including copper in Zambia and Zaire, and the mineral wealth of Namibia—there is little to show it

[7] For a discussion of these points, see 'Wir haben euch Waffen und Brot geschickt', *Der Spiegel*, 34. Jahrgang, Nr. 10, 3 March 1980, p. 61; and Melvin Croan, 'A New Afrika Korps?', *The Washington Quarterly*, Volume 3, Number 1, Winter 1980, p. 34.

[8] Statistisches Jahrbuch 1979 der Deutschen Demokratischen Republik, 23. Jahrgang (Berlin: Staatsverlag der DDR, 1979). Calculated on the basis of statistics on p. 232.

[9] Calculated as 16 per cent of total LDC trade turnover. See Michael Junghahn & Ullrich, Schmidt, 'DDR-Wirtschaftspartner der Entwicklungsländer', *Deutsche Aussenpolitik*, 24. Jahrgang 1979, Heft 1 (January), p. 52.

[10] *ibid.*, pp. 47, 52.

[11] For the first published breakdown on GDR trade structure with these countries see *Statistisches Jahrbuch der DDR*, 1979, pp. 237–43.

ıg advantage of such opportunities in Angola, Ethiopia and Mozambique. ed, only in Mozambique is some assistance being rendered for seeking out new ırces,[12] although in 1974 the GDR confirmed its concrete interest in crude oil, phates, metals and wood to be had in Africa.[13]

ıe other side of the trade relationship—GDR exports to Black Africa—is different. The main export items are capital equipment, electronic products, ors and agricultural machinery, medical items, construction machinery, ıus textiles and consumer items. While one goal of GDR economic policy in Africa might be minerals and raw materials—a fact not yet proven—a second ;tive might be seen as the use of Black African markets for unloading GDR ıus goods that cannot be sold on Western markets. In the three countries noted, exports of consumer items play a large role. However, in view of the as yet l amount of GDR total exports to sub-Saharan Africa, this point can easily be ɜmphasized. The fact remains though that the GDR has a substantial trade ıus vis-à-vis these countries, which is not necessarily an aid to their export deve- ıent or financial position. A third expectation might be that, as an observer d, economic relations and the extension of credit will 'strengthen the bargain- osition of less developed countries vis-à-vis the imperialist powers'.[14] But this 'd seem an overstatement in the light of the economic reality. Trade relations een the GDR and Black Africa have not yet advanced to the point where such goals are discernible. This may be partly due, according to another observer, e 'realization that the African countries—like those of the rest of the world— qually unprepared to accept imports of inferior quality . . . also . . . because ern Europe has discovered how insolvent and financially unstable many ;an states are and how risky is their dependence on raw material exports, se prices are subject to extreme market fluctuations.'[15] Nevertheless, one ld not overlook the fact that GDR trade with Angola, Ethiopia and Mozam- e is rather new and that Black Africa does not yet have the economic infra- :ture either to absorb massive imports or to pay for them.

ıst Berlin also has economic relations with the black liberation movements. As ıdy mentioned, in 1978, ZAPU, SWAPO and the ANC were reported to have ved considerable funds from East Germany. Officials in East Berlin stress such aid is primarily in the form of medicine, clothing and foodstuffs. How- it is no secret that military aid is also involved. For instance, on 22 May 1979, East German Defence Minister, General H. Hoffmann, pledged massive mili- aid to front-line states in southern Africa and guerrillas opposing the Muzo- government in Zimbabwe Rhodesia.

ıe Research Institute for Political Science of the University of Cologne esti- :d in 1978 that the GDR was spending 200 m. Marks (111 m. US dollars) per on weapons and military equipment to be sent to Africa—here including h Africa; and that an additional 300 m. Marks (167 m. US dollars) was allotted

unghahn and Schmidt, *op. cit.*, p. 53.
Renate Wünsche *et al.*, *Aussenpolitik der DDR für Sozialismus und Frieden* (Berlin: sverlag der DDR, 1974), p. 146.
gnacy Sachs, *Zycie Gospodarcze*, 12 March 1961, as quoted in Robinson, *op. cit.*, p. 11.
Robinson, *op. cit.*, p. 12.

each year for non-military 'solidarity goods'.[16] On 21 February 1979, Joshua Nkomo noted that East Germany was one of the biggest contributors to the material requirements of his forces.

Though it can be assumed that the GDR has definite economic objectives in Black Africa, the nature of its aid, the extent of official trade exchanges and the lack of vital imports from Africa tend to reduce—for the time being at least—the relative importance of purely economic considerations. This would mean that political and military considerations may be more central to the topic. Leslie Colitt, writing in the London *Financial Times* of 21 June 1979, sees the burden of aid to the black liberation movements as being high for the GDR and comments that the Soviet Union has reportedly assured East Berlin of Soviet credits to offset the growing East German deficit in trade with Moscow, due primarily to the higher prices for imported Soviet oil and gas. Interestingly, Colitt sees the credits as indirect remuneration for the active East German support to Black Africa, thus raising the possibility of a special role for the GDR.

In conclusion, it would seem that, in the economic area, East Germany is playing an important role in support of the liberation movements and a somewhat less important role in building up national economic self-dependence for the Africans through trade. However, the GDR is still an economic newcomer to Africa.

Military involvement

While Joshua Nkomo once referred to East German military advisers in Africa as 'the best friends' his guerrillas had ever had, the South African Prime Minister, P. W. Botha, regards them as the most dangerous components of a 'Communist onslaught'. While Cuban and Soviet personnel have tended to receive more attention in the past few years, it is noticeable that East Germany's military presence in Black Africa has greatly increased recently. This trend continues, while the level of the Soviet and Cuban presence seems to have stabilized.

The first East German military advisers in Black Africa were seen in Brazzaville, Congo, in 1973. Today it is estimated that there are 2,500 military and security advisers in Angola, 1,500 in Ethiopia, and 1,500 in Mozambique.[17] It is known that the East Germans have a military agreement with Mozambique. Many of their advisers are also assigned to assist the liberation movements.

In Ethiopia, East German personnel are believed to be providing military training and organizing civil police, secret police and a political party structure. Mengistu Haile Mariam, in the Spring of 1978, thanked East Germany (along with the Soviet Union, Cuba and South Yemen) for supporting him with actions; 'the already mentioned, indeed progressive, comrades live with us, die with us and fight with us . . .', as Joachim Nawrocki quoted him in *Die Zeit*. The East German Defence Minister has confirmed the provision of military supplies, including weapons, to Ethiopia as well as military training for thousands of young Ethiopian soldiers in the GDR. It is easy to exaggerate the East German role here, though,

[16] Joachim Nawrocki, 'Hoffmanns "Afrikakorps" ', *Die Zeit*, 26 May 1978, Nr. 22, p. 6.

[17] Statistics from John F. Burns, 'East German Afrika Korps: force to be reckoned with', *New York Times*, 18 November 1979; and Elizabeth Pond, 'East Germany's "Afrika Korps" ', *Christian Science Monitor*, 17 July 1978.

for most observers agree that East Berlin makes a big effort to maintain a low profile so as not to draw Western protests or upset the process of détente.

In Angola, East Germans have been organizing the civil and secret police, setting up and directing harbour traffic, and counselling the government on various economic and health matters. In Mozambique, too, help is being provided for security needs and military organization and training.

When looking at the broader context of Warsaw Pact activities in Black Africa, it is not difficult to see East Germany playing a special role alongside the Soviet Union and Cuba—far more prominent than that of Poland, Czechoslovakia, Bulgaria, Hungary etc. Some observers have referred to East Germany's proxy functions aimed at keeping direct Soviet presence at a lower level. It is more realistic to assume a kind of 'division of labour' among the Warsaw Pact and Cuba, whereby each country, because of special reasons, supplies certain assistance to African countries. The GDR, being a relatively rich country among the most developed industrial countries of the world, might be able to bear more easily the burden of African aid. At the same time, East Germany is respected for its efficiency in setting up political parties and organizing cadres and security organs. In supplying this assistance, it has come to portray itself as 'the natural ally of former colonial peoples' in contrast to Bonn, which is depicted as having 'inherited the 19th-century imperialist tradition of Bismarck'.[18]

A US State Department official sees the 'division of labour' in Black Africa as follows: 'The bulk of the manpower has been supplied by Cuba. The Soviet Union has supplied the equipment and, undoubtedly, much of the financing. The East Germans supplement these contributions with technical skills and sophisticated equipment.'[19] A more detailed description has been presented by another observer as follows:

> *The USSR* ensures political and logistic management, supplies heavy equipment (airplanes, tanks), and provides the highest officer cadres...
> *The GDR* sends highly skilled military cadres (9,000 soldiers and advisers in Africa and in the Near East) and specialists in other areas generally connected with the military (doctors, engineers)... It runs three training camps for Palestinian commandos in South Yemen and trains security forces in Angola, Mozambique, Benin, and South Yemen. Further it trains administrative, political, and journalist cadres.
> *Cuba* supplies 'cannon fodder'—43,000 soldiers are away from the island. Further, it trains Zairean rebels, SWAPO units (Namibia), and Palestinian commandos.[20]

The military interests of the GDR in Black Africa can be seen to be several. First, as Erich Honecker has noted: 'We stand side by side against common enemies. Common effort inspires us to do everything for the good of working

[18] John Burns, 'Special East German corps aids leftist African states', *International Herald Tribune*, 22 November 1979, p. 5.
[19] David D. Newsom, 'Text: Newsom on Communism in Africa', *Wireless Bulletin from Washington*, No. 197, 19 October 1979, p. 7.
[20] Polish Social Self-Defense Committee, as quoted in Robinson, *op. cit.*, p. 9.

people, for peace and for social progress.' What this means in practice is further support for the governments of Angola, Mozambique and Ethiopia, as well as for the black liberation movements.

Additionally, the military component of East German assistance to Africa is important for the following reasons: (i) it broadens the scope of relations with Black Africa, thus increasing GDR prestige in the Third World; (ii) it offers the chance to influence the liberation movements that may eventually come to power, thus providing East Berlin with additional allies. (The defeat of Joshua Nkomo by Robert Mugabe in the Zimbabwe Rhodesia elections was a setback to GDR aspirations in contrast to earlier successes in Angola and Mozambique); (iii) it takes on a strategic meaning vis-à-vis the West insofar as South Africa and Namibia are becoming more isolated geo-militarily and GDR interests and actions affect the regional balance of forces; (iv) it may offer the opportunity for diplomatic pressure on the West as the main oil-supply lanes run around South Africa and through the narrow straits of Bab el Mandeb between Ethiopia and South Yemen, where the GDR presence is also extensive; (v) it can be viewed as increasing the bargaining strength of the GDR in international affairs as a whole (especially as East Germany sits for the first time in the UN Security Council in 1980). A US State Department representative notes in this respect that 'Whatever the origin of their presence, that presence represents a threat to our interests'.[21] However, this 'potential' seems not yet to have been brought into play, as the same observer also notes that Angola, for example, has co-operated closely with the UN plan for settlement in Namibia, while Mozambique has co-operated with the West in the search for peace in Rhodesia.

In conclusion, although the German Democratic Republic has launched an active and expanding policy in Black Africa in recent years, it has not yet sought to do more than generally increase its presence and support there. Being rather cautious in its approach, East Berlin realizes that 'Setbacks cannot be excluded and the development that has been achieved up to now is not irreversible. . .'[22] Africa is changing rapidly and East Germany finds it a convenient springboard for establishing its position on the world stage.

[21] Newsom, *op. cit.*, pp. 5, 11. [22] Willerding, *op. cit.*, p. 13.

The Budget and the CAP: a Community crisis averted

TREVOR PARFITT

NEITHER the question of Britain's contribution to the EEC budget nor the final shape of the 1980 agricultural price package had to wait to be decided, as had once seemed likely, by the European Council ('summit') meeting in Venice in June. After their experience in Dublin and Luxembourg, both Chancellor Schmidt and President Giscard d'Estaing made it very clear that they did not want to have to debate these issues a third time, so the farm prices and related measures were agreed by the Council of Agricultural Ministers at their meeting on 28–30 May subject to the budget question being resolved, and the Foreign Ministers agreed on the budget issue *ad referendum*, i.e. subject to the approval of their respective governments back home. Thus the idea that the European Council should not be a detailed negotiating body was re-affirmed; ministers in 'ordinary' Councils did the negotiating, with the device of *ad referendum* to fall back on when so much was at stake; and the link between farm prices and the UK budget contribution in the end proved so inescapable that the British government, which had earlier tried to deny its existence, was able to use it virtually as a power of veto over the price determinations. (Mr Walker, who had been odd man out during preliminary discussions in February and March, entered a general reservation on the compromise package which began to take shape at the Council of Agricultural Ministers' meeting on 27–28 April; this was maintained as the package was filled out early in May and completed on 28–30 May, and was lifted only on completion of the budget deal.)

Compromise on prices

The final determinations saw the Commission's original proposal of a weighted average increase of 2·4 per cent raised by the Council to almost 5 per cent, the compromise figure which had already seemed likely after the meeting in the first week in March.[1] For milk, the main problem commodity, the target price was raised by 4 per cent, with the intervention price for butter going up 2·3 per cent and that for skimmed milk powder 4·9 per cent. A co-responsibility levy, calculated on the basis of the new target price, will be applied for the next three years, until the end of the 1982–3 milk year, and in all three years it will be at least 1·5 per cent of the target price. For the first year, starting on 1 June 1980, it will be 2 per cent, but in less favoured areas it will be reduced by 0·5 per cent up to a limit of 60,000 kg per producer (the administrative complications of this exemption remain to be

[1] See Trevor Parfitt, 'The CAP: reconciling the irreconcilable', *The World Today*, April 1980.

Mr Parfitt, a former Director of the Bureau de l'Agriculture Britannique in Brussels, is now a Co-ordinating Director at the National Farmers' Union in London.

unravelled). Ministers also agreed in principle that a supplementary levy would apply in 1981–2 if the quantity of milk and certain milk products sold in the calendar year 1980 increased by 1·5 per cent or more over the calendar year 1979. Again, just how this supplementary levy is to be applied is still to be worked out, but whatever method is used will adhere to the principle of producer liability for increased production. What the levy funds will be used for also awaits clarification. (A 2 per cent levy is expected to yield about 400 million EUA in a full year.) There will not after all be a total ban on investment aids in the dairy sector, but there will be strict limitations both on the eligibility of farmers and on the size of dairy herd to which they aspire in their development or improvement programmes. Many details have still to be worked out, but the principle seems to be to help smaller producers to improve their income by increasing their herd size, which means more milk, so once again social considerations have been allowed to outweigh concern over surplus production. Of existing measures, the non-marketing scheme will terminate on 15 September 1980, and the conversion scheme will continue until the end of the 1980–1 marketing year, but could be renewed in some form if the Commission's customary report on the operation of the scheme, due by 31 January 1981, gives the Council cause to do so. The general consumer butter subsidies currently applied by Denmark, Ireland and Luxembourg, which are 75 per cent FEOGA[2]-financed, and the UK butter subsidy, which is 100 per cent FEOGA-financed, will continue for 1980–1.

The agricultural package also at long last included a sheepmeat regime. Market support can take the form of intervention or a variable slaughter premium. The UK will adopt the slaughter premium, but present indications are that the other countries will opt for intervention, which is why fears about building up a 'lamb mountain' have been expressed pretty widely. Initially, the support level, whether for intervention or slaughter premium, will be set at 85 per cent of the basic price (the basic price will be 345 ECU per 100 kg—213·4p per kg—in the first year). The Treaty of Rome (Article 43(3)) entitles producers in member states where market prices fall as the result of the introduction of a CAP regime to receive compensation, so a formula has been devised for compensatory premia should this happen. All existing impediments to free intra-Community trade are to be removed, which means the French threshold price and variable levy system will have to go, and the UK slaughter premium will be 'clawed back' on meat for export to avoid unfairly under-cutting other member states' markets. It is intended that no MCAs (monetary compensatory amounts) should be applied in the sheepmeat sector. Export refunds are allowed for in trade with third countries, but will only be paid after taking account of the Community's existing international obligations and must not be allowed to jeopardize negotiations (already under way) with New Zealand and other suppliers for a voluntary restraint agreement to cover their exports to the Community. The entire cost of aids to private storage, public intervention, compensatory premiums and variable slaughter premiums will be paid by FEOGA. The UK government will pay just the administrative costs of the variable slaughter premia.

[2] FEOGA: Fonds Européen d'Orientation et de Garantie Agricole.

Reduced UK contribution

Such, briefly, were some of the key items in the agricultural package, which had to await acceptance of the Council of Foreign Ministers' conclusions on the UK contribution to the financing of the Community budget.[3] The formula agreed for reducing the UK contribution is complicated. For 1980, the Commission had estimated that the net UK contribution, if unchanged, would have been 1·784 million EUA (£1,088 m.).[4] 1,175 m. EUA (£717 m.) will be deducted from this figure, leaving a UK contribution of 609 m. EUA (£371 m.). For 1981, the Commission estimated that the UK would have paid 2,140 m. EUA (£1,305 m.): what the UK will actually pay will be the revised 1980 figure plus a percentage equal to the difference between the two original estimates (1,784 m. EUA and 2,140 m. EUA) for 1980 and 1981. This is 19·9 per cent, so the contribution for 1981 will be 609 m. EUA plus 19·9 per cent (121 m. EUA), giving a total of 730 m. EUA (£445 m.). The total reduction for the two years taken together, therefore, is just about two-thirds of the original estimates. If, however, the Commission's original estimates prove to be on the low side and the UK's actual contributions for 1980 and 1981 are higher than 1,784 m. EUA and 2,140 m. EUA respectively, the difference between the estimated and the actual contribution will be split: in 1980, the UK will bear 25 per cent of the difference and the other eight Member States will bear the other 75 per cent. For 1981 it will be more complicated: any increase above the agreed 730 m. EUA (£445 m.) up to 750 m. EUA (£458 m.) will be borne entirely by the UK; from 750 m. EUA to 850 m. EUA (£519 m.), the split will be fifty-fifty; for anything above 850 m. EUA, the 25 per cent: 75 per cent ratio used in 1980 will come into operation again.

It is intended that the UK should get its money in two ways—about one-third by an adaptation of the financial mechanism introduced in 1976 and the remaining two-thirds through certain supplementary measures. The Commission proposal for adapting the financial mechanism[5] would remove (*a*) the limitation on refunds when a country has a balance of payments surplus, (*b*) the tranche system repayment of excess contributions, which resulted in a considerable reduction of the sum repaid, and (*c*) the ceiling on repayments—250 million u.a. or 3 per cent of the total budget, whichever was the higher. This three-pronged adaptation, which would function automatically up to the end of 1982, was what was originally suggested in November 1979, but did not yield enough to satisfy Mrs Thatcher. The aim of the supplementary measures[6] is to improve the economic performance of the UK under two headings—'the reduction of regional disparities and the renewal of urban areas through the improvement of economic and social infrastructure', and 'the exploitation of coal resources'. The parts of the infrastructure listed by the Commission include 'transport and communications, telecommunications,

[3] Official Journal of the European Communities, No. C158, 27 June 1980.

[4] One EUA (European unit of account) = 61p on 10 June 1980 (European Communities Commission Background Report ISEC, B30/80, 23 June 1980).

[5] Proposal for a Council Regulation (EEC) amending Regulation (EEC) No. 1172/76 of 17 May 1976 setting up a financial mechanism. COM (80) 334 final, Brussels, 11 June 1980.

[6] Proposal for a Council Regulation establishing supplementary measures in favour of the United Kingdom. COM(80) 333 final. Brussels, 11 June 1980.

transmission of energy, water and sewerage, industrial sites, advance factories, public housing'. Broadly speaking, programmes for improving infrastructure must be consistent with existing regional policy, and in vetting them the Commission would consult the Regional Policy Committee; in the case of coal, the Commission would consult the Energy Committee. The Community would pay up to 70 per cent of the cost of a programme. In accordance with the rules of the financial mechanism, the credits are to be entered in the budget of the following year, but at the request of the United Kingdom the Council can decide each year, on a proposal from the Commission, to make advance payments to speed up implementation of the supplementary measures. Although any one programme may take several years to complete ('pluri-annual' is the official word), the initiation of supplementary measures is intended to cover 1980 and 1981 only. For 1982, the Community 'is pledged' to resolve the problem by structural changes in Community budgeting. The Commission has to submit proposals by the end of June 1981 which must take account of the development of Community policies, but without calling into question the own resources system of raising revenue or the basic principles of the Common Agricultural Policy. 'Taking account of the situations and interests of all Member States, the aim will be to prevent the recurrence of unacceptable situations for any of them.' If this is not achieved, the Commission will make proposals along the lines of the 1980–1 solution and the Council will act accordingly.

Margin for manœuvring

Although it must be virtually inconceivable that any of the parties would seek to go back on an agreement of such importance, arrived at with so much difficulty, its implementation leaves considerable scope for political manœuvring. The first hurdle is to get the Commission proposals approved. The European Parliament declined to consider them under the urgency procedure and will not now look at them until September, which means they will probably not go to the Council until October. There is unlikely to be any difficulty over the adaptation of the financial mechanism, but the supplementary measures could fare rather differently. The Commission's approach is to treat the supplementary measures as a management matter—the UK government would submit a programme, the Commission would vet it in consultation with the appropriate committee and, if satisfied, would give its approval and make an advance payment of 90 per cent of the Community's contribution. There has been no questioning of the 90 per cent advance, but it is understood that the French government wants each programme to be approved not by the Commission but by a unanimous vote of the Council: this would give the Council an obvious delaying power should the British government be holding out on another issue. The advances which the British government might request (see above) under clause 6 of the Council conclusions would effectively be subject to double approval by the Council—there has to be unanimous Council approval for appropriations to be put into chapter 100 of the budget in the first place, and qualified majority approval for the actual expenditure under chapter 58. (The United Kingdom has renounced any possibility of asking for advances in 1980, as the

money would not be forthcoming.) Again, the possibilities for delay are obvious, and are likely to be used if the British government were to seek to delay an agricultural price settlement—the French failed to get a commitment that Britain would not delay such a settlement written into the final text of the conclusions and had to be content with a general undertaking that Member States would 'do their best to ensure that Community decisions are taken expeditiously and in particular that decisions on agricultural price fixing are taken in time for the next marketing year.'

Another way of bringing pressure to bear on the United Kingdom was written into the declaration on a common fisheries policy, which was an important part of the overall settlement. The first paragraph of the declaration reads: 'The Council agrees that the completion of the common fisheries policy is a concomitant part of the solution of the problems with which the Community is confronted at present. To this end the Council undertakes to adopt, in parallel with the application of the decisions which will be taken in other areas, the decisions necessary to ensure that a common overall fisheries policy is put into effect at the latest on 1st January 1981.' The important phrase is 'in parallel with the application of the decisions which will be taken in other areas': we shall hear much more of this 'parallelism' if the British government tries to drag its feet over the common fisheries policy.

Luxembourg will occupy the chair of the Council during the next six months, which may augur well for a successful conclusion of the fisheries negotiations: certainly M. Gaston Thorn could hardly have a better run-up to the Presidency of the Commission than six months as President of the Council.

It will be a period in which a constructive approach will be absolutely essential if the time which was bought by the 30 May settlement is not to start being frittered away. M. Gundelach went to New Zealand in mid-July to try to secure the 'voluntary restraint' on exports of lamb to the Community which the British government at least considers an essential pre-requisite to the introduction of the sheep regime. The sheepmeat question is inevitably linked to the Commission's proposals for future imports of New Zealand butter into the Community, and New Zealand could delay an agreement on sheep in order to extract a more generous arrangement for butter. However, initial indications were that New Zealand saw an agreement as in its best long-term interests and that M. Gundelach was in a better position to compromise than ever before because a majority of EEC Member States now accept access for New Zealand products as a fact of life, with West Germany considering it positively desirable in order to make it possible for New Zealand to buy EEC-manufactured goods and also afford a strategic role in South-East Asia. But even if agreement were reached quickly with New Zealand, this would not of itself be enough to hasten the introduction of the sheep regime (which, incidentally, includes goats for trade purposes but not for market support). On 22 July, the Council agreed on modifications to the import arrangements for New Zealand butter for the rest of 1980, but will not consider any proposals for after 1980 until 29–30 September. It also referred the provisional deal on sheepmeat which Mr Gundelach had brought back from New Zealand to the Special Committee for

Agriculture, which means that that also will not be re-examined until the end of September. This is very frustrating for UK sheep producers, who had expected the regime to be in operation in time to put some confidence in the autumn sales and in any case felt they had waited long enough for this part of the CAP to come into being.

The Luxembourg Presidency will also see a flurry of activity on the 'reform' of the CAP and the start of the Commission's examination of budget problems. The West German government, faced with the prospect of being the biggest contributor and shocked at having to introduce a petrol tax (known as 'Thatcher's pfennig') to meet its immediate commitments under the settlement, is taking CAP reform more seriously while at the same time insisting on the 1 per cent VAT ceiling. The cost of the CAP is likely to dominate reformers' thinking, and this will not be greatly affected by the European Parliament's attempt to have the budget headings changed so that such items as refunds for food aid are not attributed to the CAP. The draft 1981 budget allows for no farm price increase next year, because the 1 per cent ceiling has almost been reached, and M. Gundelach favours any price increases being paid for by cuts in other agricultural expenditure, not by cooking up a supplementary budget for which the funds do not exist. How far such realism will prevail remains to be seen: certainly raising the 1 per cent ceiling is unlikely to be acceptable except in the context of a major event such as the accession of Spain. For the next couple of years, the emphasis will be on the Community living within its means.

One can argue indefinitely on whether or not the British Government would have done better by adopting a less abrasive approach. Certainly the Italian Presidency can claim a major achievement in resolving a real Community crisis, and the West German government emerges with credit from a very difficult position. The agreement was vital to the Community's future, and there are now a couple of years in which to make sure similar crises do not recur. This is not a long period, and whichever member of the new Commission has the budget portfolio will not exactly be under-employed. The overall settlement has been criticized in the UK not only on the grounds that the British government in the end 'gave in' on agricultural prices and fisheries policy but also because it took no account of other costs to the United Kingdom, only budget costs. But the negotiation was conceived of and conducted, rightly or wrongly, as a budget exercise, in which the British government achieved recognition of the principle that one of the poorer Member States should not have to pay the most—but it still has to get the money. It is to be hoped that the game called 'parallelism' will not be played in too fiercely competitive a spirit: if it is, the British government may choke on the condition that 'The United Kingdom, by agreement with the Commission, shall take all necessary steps to ensure that assistance granted in accordance with the present regulation is given suitable publicity.'

Options for Ulster

WARD RUTHERFORD

ON 2 July, the Secretary of State for Northern Ireland, Mr Humphrey Atkins, presented his discussion document on the future government of the Province under the title 'The Government of Northern Ireland: Proposals for Further Discussion'.[1] These proposals follow upon the conference between the Secretary of State and three of the four main Ulster political parties,[2] which took place from January to March this year, and represent the latest British government initiative during the twelve-year period somewhat euphemistically called 'the Troubles'.

This period, which began with the Civil Rights demonstrations organized by the Catholic minority against alleged discrimination, has seen the intervention of the British Army, originally as protectors of the Catholics from the Protestants, and the replacement of the Stormont Parliament by direct rule from Westminster which, save for the intermission of the short-lived Northern Ireland Assembly, has continued ever since. It has also witnessed the deaths of some 2,000 people, while another 20,000, it is estimated, have been maimed, an enormous proportion of a population numbering only one and a half million. And this is to say nothing of the effects upon an economy already in serious decline before the 1960s.

The failure to find a solution acceptable to both Protestants and Catholics throughout this time is itself a measure of the complexity and profundity of the problem. Indeed, the current 'Troubles' are only the latest and longest-lived in a succession which have shaken the Province sporadically since it was brought into existence by the partition of Ireland at the time of the formation of an independent Irish State.

Yet, for all the complexity of the situation, there are only three possible solutions: in broad terms, they are that of reviving a form of devolved, local government in the manner of the old Stormont; that of unification with the Irish Republic; and that of total independence.

Of these, the latest to make its appearance is that of an 'independent Ulster'. It is currently being canvassed among groups which previously formed the so-called 'Protestant paramilitaries', the Ulster Volunteer Force (UVF) and the Ulster Defence Association (UDA), as well as, on the Catholic side, the Republican Clubs, hitherto uncompromising advocates of unification with the South. The core of their argument is that there is an identifiable 'Ulster-ness', distinguishable from both 'Irishness' and 'Britishness' and summed up in the declaration of Mr Gerry Fitt, former leader of the Social Democratic and Labour Party, that he has more in common with an Ulster Protestant than with a Southern Catholic. Ulsterness

[1] HMSO: Cmnd. 7950, £1.50.
[2] The Alliance Party, the Social Democratic and Labour Party, the Ulster Democratic Unionist Party and the Ulster Unionist Party.

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can flourish only in a state divorced from the cultural influences on either side of it, it is suggested. Unfortunately, this option fails to take account of serious economic and political objections.

Economically, there is the fact that the Province is heavily dependent on British government aid. In the year 1978–9, for instance, the net transfer of funds from the Exchequer amounted to £860 millions and, despite the untiring and frequently successful efforts of the Northern Ireland Department of Commerce to attract business and capital, it is hard to see how survival without these large subventions is possible for the foreseeable future.

Politically, independence would mean the sacrifice of the thirteen Ulster seats in the House of Commons and with them the power to influence events in the area's favour. It would also do nothing to satisfy the aspirations of those who feel their allegiance is to the Republic. The highest concentration of these groups is to be found in the border areas and it is likely that in order to satisfy their demands, the size of the Ulster enclave would have to be still further reduced (it lost three of its original counties at the time of Partition), and this would certainly affect its ability to survive economically.

The second option is unification with the South which, on the face of it, appears the most obviously logical one. Ireland is not a large land area (36,600 sq. miles compared with Britain's 94,200), and it seems palpably absurd to have it divided into two political entities, with one occupying an area of only 5,459 sq. miles. Hardly surprisingly, these statistics are much quoted by both Republican bodies within and the Irish Government outside the Province.

What the notion of unification encounters, however, is an opposition so intense and widespread that it would require an unusually audacious or foolhardy government to try to impose it as a solution. This is found at its most implacable in Dr Ian Paisley's breakaway Democratic Unionist Party which refuses to consider the slightest slackening of the tie with Britain or the most tentative approach to the South. Nevertheless, it is only in the unambiguous terminology employed by Dr Paisley and his followers that their view differs from the widely held one. Evidence for this comes not only from encounters with people in every sector of Northern society, and from public opinion polls, but also from the resounding majorities gained by Unionist candidates in British and European Parliamentary elections. In March 1973, the British government organized a referendum on the border question. Of the 58·7 per cent of the total electorate who voted, the overwhelming majority (57·5 per cent of the total) were in favour of retaining the link with the United Kingdom, and only 0·6 per cent in favour of a break.[3]

The outsider, while astonished and perhaps exasperated by such attitudes, is also compelled to recognize that, at least for the foreseeable future, the only conceivable option is the third one—that of a Northern Ireland linked to Britain. And it is this assumption which the discussion document takes for its jumping off point.

Before considering this, however, one must first look at the reasons for the apparent intransigence on the part of the Northern Irishman, and this, like so much else in Ireland, lies in its history.

[3] *Notes on Northern Ireland* (Belfast: Northern Ireland Information Service, 1978).

Historic background

The Protestant community consists mainly of the descendants of those immigrants who, in order to escape religious persecution in England, went to work on the government-sponsored 'Irish Plantations' of the seventeenth century. Mostly Scottish and Calvinist, they tended to concentrate in the area nearest to their homeland—the north-east corner of Ireland.

When the English Civil War broke out, they viewed it as a struggle against those very forces which had driven them abroad, while they were also aware of being so vastly outnumbered by the Irish native population that they needed their own government's support for survival. They therefore took its part in all the various Irish revolts and came to be seen as part of a system of repression alien ethnically as well as in religion. The belief that 'the Southern Irishman hates us' which one often hears advanced as a reason for refusing to consider unification plainly stems from this.

The fortresses, of which Londonderry is an example, built for protection against the natives, expanded into towns. With the growth of industrialization, first in textiles, then in shipbuilding, the north-eastern area began to acquire economic dominance. By the end of the Industrial Revolution, Belfast was as important a centre as Birmingham or Manchester.

It was only to be expected that such a community, with its history and with its new-found prosperity based on an advantageous trading position with Britain, would oppose the independence movements beginning to emerge in strength during the nineteenth century. In addition to the fear that they could have little influence in an independent Ireland where they would be heavily outnumbered, there was also the question of religion. The Planters had always viewed the indigenous Irish as feckless, superstitious and, in the words of more than one Northern politician, 'priest-ridden'. They reacted by making their own strict fundamentalism still more rigid and to this day this character pervades all shades of Northern Irish Protestantism from Anglicanism to Baptism and makes them largely indistinguishable one from another, at least to an outside observer.

Underpinning religion as a force for maintaining the Union, there had also come into existence what was, in fact, a vast, quasi-military secret society, the network of Orange Lodges. Not originally anti-Catholic—in the eighteenth century they had many Catholic members—they gradually became so as they began to believe that religion and attitudes to Irish Nationalism coincided.

'Home Rule means Rome Rule' might form the raison d'être for preserving the Union with a nominally Protestant Britain, but, even given the innate conservatism of the Orange Lodges, there was within the matrix of Protestant pro-Unionism a wide range of political opinions. Unfortunately, however, the British political spectrum from centre to left had, by the turn of the nineteenth century, adopted an anti-imperialist and pro-Home Rule stance. The Irish trade unions, growing in strength like their British counterparts, were ever more militantly nationalistic. The only body of solid, unswerving opposition in Britain was to be found in the Conservative Party.

In 1912 came the Liberal Government's Irish Home Rule Bill. In September of

that year, about a quarter of a million Protestants signed the 'Ulster Covenant', many with their own blood, pledging themselves to oppose the implementation of the Bill by every means in their power. At about the same time, a military organization, the Ulster Volunteer Force, sprang into existence. The Conservative Party alone declared itself as 'understanding' the sentiments which led to these manifestations and, maintenance of the Union overriding all other political consideration in the eyes of the majority of Protestants, they turned en masse towards the Unionist Party as the Conservatives of the Province styled themselves.

The Civil War of 1922 and its attendant atrocities, which bedevilled the early life of the nascent Irish state, caused the northerners to point with complacent gratitude towards their own stable and outwardly peaceful society. In the years following the Civil War, the Irish government could hardly have been said to have pursued policies allaying Northern fears. The Fianna Fail Government of 1932 abolished the oath of allegiance to the British Crown. The Constitution, adopted by plebiscite in 1937, gave special advantages to the Catholic Church and its moral doctrines. In 1939, Eire opted for neutrality in the war against Germany. Ten years later, the Costello Coalition Government instituted steps leading to the withdrawal from the Commonwealth. To the north, all these measures could only be seen as increasing the distance between the Irish state and Britain.

To be sure, radical parties which accepted the Union with Britain did appear in the North. They suffered from the handicap that a large body of their potential supporters—the Catholic working-class—did not. They could never therefore command sufficient electoral strength to achieve power in the Provincial government. Since the other radical groups were alleged to be either secretly or openly in favour of unification with Eire, they could not enlist Protestant working-class support.

The Unionists were, naturally enough, aware that they owed their retention of power to the backing of those who, in Britain, might have had different political allegiances. To retain it, they had to take account of the interests of this substantial section and it was this which led to the discrimination in favour of working-class Protestants and against Catholics. This manifested itself in employment, in housing, even, it is repeatedly averred, in the eyes of the agencies of law-enforcement. Where the granting of favours was insufficient to ensure Unionist majorities, all manner of subterfuges were employed. Electoral boundaries were so drawn up that Catholics remained in a minority. There was pluralist voting by which property owners had a vote wherever they had property. This, long abolished in Britain, gave a special advantage to the wealthier, and accordingly Unionist, members of society.

No simple polarities

If, however, the issues seem to resolve themselves into the simple polarities of pro-Union Protestant majority versus pro-Republican Catholic minority, this is to ignore the underlying complexities. Unionists point out that the enormous majority obtained by Dr Paisley in the European Parliamentary elections was only possible with Catholic support. Special factors were at work here, such as Paisley's opposition to EEC membership which may well have struck as responsive a chord

among Catholics as among Protestants. None the less, other evidence comes from opinion polls and these put Republican support among Catholics as low as between six and ten per cent.

Qualitatively, Northern Irish Unionism is quite different in character from British Conservatism. The ambiance, especially of Dr Paisley's Democratic Unionists, is definitely lower middle and working class rather than middle and upper middle class.

Unionists predictably insist that the degree of discrimination has been consistently exaggerated and there is probably substance in this. Nor is discrimination entirely one-sided. It is the Catholics who have demanded segregated education. Not only does this mean that there is no mixing between the two communities during formative years, it also means that those with an inclination to discriminate against Catholics can discover the religion of, say, a job-applicant simply by asking where he was at school. All the same, claims of discrimination against Catholics have some statistical support. Unemployment runs at an average of 10·7 per cent in the Province as a whole, but in some areas it is twice this figure. In Newry and Strabane, both of which, as border towns, have large Catholic populations, it is 19·7 and a startling 24·8 respectively. In any case, no matter how gross the exaggeration can be shown to have been, the important thing is that Catholics believe it sufficiently strongly to have been incited to rioting in 1969. It was this which led to the emergence of the Provisional IRA as an organization supporting their cause, creating the so-called 'No-go' areas as a means of protecting them from Protestant wrath. It led, directly, to what has become known as the Northern Ireland 'security problem' and, ultimately, to the prorogation of Stormont and its substitution by direct rule from Westminster.

Direct rule—a fourth option?

The period of direct rule has seen the curtailment of at least some of the more obvious abuses and even those most opposed to it agree it has brought benefits, particularly in housing. Over vast areas of the cities, the old red-brick terraces of artisan cottages have been razed and are being replaced by new estates with their own small gardens and garages.

The Royal Ulster Constabulary, an armed, semi-military body, whose membership was almost exclusively Protestant, has been reformed on the model of the British police forces. Though it has failed to attract Catholics, it is finding more general acceptability than its predecessors. One of its main auxiliary arms, the 'B Specials', quite openly associated with the Orange Lodges and, indeed, recruited from the old Ulster Volunteer Force, has had to hand in the guns they were allowed to keep at home. They have been replaced by the Ulster Defence Regiment whose arms are kept under lock and key and which operates within strict guidelines, though it too has failed to recruit Catholics in any numbers.

Electoral procedures have been reformed. The rigging of boundaries has been done away with. Proportional representation by a single, transferable vote system has been introduced and, with the abolition of pluralist voting, the Ulster admonition to 'vote early and vote often' has become a thing of the past.

A Fair Employment Agency and an Equal Opportunities Commission do their

best, though, as they acknowledge, not always successfully, to overcome job-discrimination. At the same time, several interlocking factors have combined to bring about an improvement in the security situation. From the peak year of 1972 when 468 people, 322 of them civilians, died, the figure had fallen to 81 in 1978.[4] One reason for this is almost certainly sheer war-weariness, although the emergence of the Irish National Liberation Army as a new body dedicated to the violent overthrow of the government is causing some alarm.

Notwithstanding its more positive aspects, 'direct rule' was never regarded as more than a temporization until an acceptable form of local government could be worked out. The latest government proposals, too, state that to continue indefinitely with this system is 'not desirable'. Yet this itself begs an important question. The people of Northern Ireland are represented at Westminster in roughly the same proportion as those in the rest of Britain and, like them, have their own local authorities. Why, then, should they be singled out for the special favour of their own Parliament? What is missing in contemporary Ulster is that tier of government corresponding broadly to the county and regional councils. These consolidated into one single authority for the whole Province and dignified with the title of Parliament were what the old Stormont represented and it is this role which its successor, whatever its form, will also have to play.

The new proposals

This is not the place to dwell in detail on the proposals of the discussion document and their merits or demerits. It is, in any case, in Ulster itself that their fate will have to be decided. Broadly speaking, what is envisaged is a single-chamber Northern Ireland Assembly of about 80 members elected by proportional representation and from whose number a governing executive would be drawn.

Plainly it is the formation of the executive which is crucial since, as the document says, '*New institutions of government which the minority community cannot* accept as its institutions will not bring stability and so will not be worth having' (p. 4). To try to make the executive acceptable, a number of alternative proposals for its constitution are put forward. The first is one whereby seats on it would be allocated in proportion to votes secured in the Assembly elections. The second would be by the direct election of candidates to it. The third, and most complicated, would be to form the executive solely from the parties in the majority in the Assembly while safeguarding minority interests through a second body to be called 'the Council of the Assembly'. This would itself comprise the chairmen and deputy chairmen of committees whose own function would be to scrutinize executive activities, somewhat in the manner of the Select Committees in the House of Commons. It is envisaged that these chairmanships and deputy-chairmanships would be equally shared between executive and opposition, thus giving the minority an effective voice in decision-making. To be effective, the council's decisions would require a vote of at least 50 per cent plus one.

As with the old Stormont Parliament, matters of defence, foreign policy and

[4] Information Brief on Northern Ireland (Belfast: Northern Ireland Information Service, July 1979).

taxation would be reserved to the Westminster Parliament and the Secretary of State would retain responsibility for such matters as law and order and the size of the Northern Ireland capital expenditure programme. On the other hand, an advisory council composed of 'leading members of the Assembly' and chaired by the Secretary of State would be formed to act as a consultative body on such questions. Existing safeguards against discrimination would, in the words of the document, 'at least be maintained' (p. 15). The powers of assembly and executive would include agriculture, commerce, education, employment, housing, health, social services and other environmental matters over which they would exercise both executive and legislative functions.

In the event of none of the alternatives finding acceptance, the document states the government's willingness to explore other possibilities for making the administration of the Province more responsive to the wishes of its people. Much stress is laid on the need for goodwill and reconciliation between the two communities and upon the fruits to be garnered from a period of peace and stability.

Sceptics will recall that such exhortations have formed an invariable part of every government initiative and fell upon ears which seemed largely deaf to them. It would be rash to predict the reception that the present proposals will receive beyond saying that they are likely to undergo fairly considerable modification. On the other hand, there are cogent reasons why they may need to be grasped as a drowning man's straw by the politicians.

There is abundant evidence of a fundamental disillusionment both with the hardliners of all persuasions within the Province and with what are felt to be the cynics of Westminster. The desire for peace is deep and strongly felt and there is sufficient pragmatism abroad for many Protestants to recognize that the days of their unquestioned 'Ascendancy' are over.

What makes the situation even more urgent, however, is the Province's appallingly depressed economy. Local economists are unanimous in declaring this to be by far the most pressing problem. The more dire pessimists go so far as to predict imminent collapse. One effect is that unemployment is now spreading beyond the Catholic community, traditionally the first to suffer in any recession. At the same time, Britain, usually the rescuer, is itself in deep recession. It has recently made plain that Ulster must participate in the cuts being imposed in all quarters.

In this situation, northerners are bound to begin comparing their own plight with the relative prosperity of the south where great benefit has been gained from EEC membership. From this to consideration of what was once the unthinkable—if not unification, then at least closer links with the south—is only a short step. It is hardly a prospect Ulster politicians could regard with much pleasure. But it is one which they will certainly have to keep in mind.

El Salvador: another domino?

JAMES JOHN GUY

THOSE foreign affairs analysts who subscribe to the 'domino theory' of revolution are watching the turmoil in El Salvador with bated breath. With Nicaragua under the control of a left-wing junta seeking close ties with Cuba and the Soviet Union, and Guatemala plagued by polarized domestic violence, this resurrected theory which was elevated to high-policy levels under the former US President, General Dwight Eisenhower, and his Secretary of State, John Foster Dulles, has continuing appeal. The possibility of radical social and political change modelled on Nicaragua's experience can no longer be overlooked in turbulent El Salvador. Indeed, Nicaragua's Sandinista revolution offers an example to other Central American republics of yet another successful guerrilla strategy as an efficacious way to achieve political change and modernization. However, spontaneous eruptions of political violence verging on civil war are imminent in El Salvador not only because Nicaragua's revolution is potentially exportable, but also because existing local conditions invite revolutionary response. There is no longer any doubt that the major groundswell of discontent and political polarization has *reached national proportions and will be almost impossible to contain.*

Preconditions for revolution

In El Salvador the apparent spontaneity of violence is a symptom rather than a cause of revolutionary change. Many long-term factors have contributed to the immediate sources of irritation which threaten to overthrow the existing order.

One factor which conditions discontent is that El Salvador is the smallest (5240 sq. km.) and most densely populated nation in Latin America (215 persons per sq. km.).[1] Overcrowding breeds violence as El Salvador's 5·5 million people have experienced a rapid annual population growth of 3·5 per cent over the past decade.[2] The primacy of San Salvador over other cities has resulted in an overconcentration of population in the capital, attracting excessive manpower and thus producing high levels of unemployment, running close to 50 per cent.

The problem of intensive demographic pressure was aggravated by the closure of the border with Honduras after the so-called 'Soccer War'.[3] Prior to the 1969 war, internal population pressures were relieved somewhat by the migration of

[1] Ronald H. McDonald, 'El Salvador: The High Cost of Growth', in Howard Wiarda and Harvey Kline, *Latin American Politics and Development* (Boston: Houghton Mifflin Co., 1979), p. 389.

[2] Walter D. Harris, Jr., *The Growth of Latin American Cities* (Athens, Ohio: Ohio University Press, 1971).

[3] For a description of this war and its effects on El Salvador and the organization of Central American States see Paul Hoopes, 'El Salvador', in Ben Burnett and Kenneth Johnson, *Political Forces in Latin America: Dimensions of the Quest for Stability* (Belmont, California: Wadsworth Publishing Co., 1970), fn. 18, p. 113.

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Salvadoreans into Honduras. But now, with the population expected to double by the turn of the century, the relocation of peasants, farmers and skilled workers is increasing internal tensions. Furthermore, the predominantly rural character of El Salvador's population (approximately 60 per cent) encourages the persistence of illiteracy, low productivity, health problems and archaic social structures.

Historically, land has been synonymous with wealth but most Salvadoreans have very little of either. The productive latifundia consume approximately 50 per cent of the arable land, but are owned only by some 300 extended families.[4] In contrast, the *campesinos* (peasants)—the great majority—are *minifundistas* who hold only 20 per cent of the land in plots of usually less than ten hectares and who cannot subsist on the returns off their own land. Many are also *jornaleros* (wage hands) who receive only small cash payments for their occasional labour but who are not organized and lack job security. These unresolved problems of inequitable land-ownership and unemployment remain significant as factors which accelerate the probability of revolution. But alone they do not necessarily produce the political turmoil that the world is witnessing daily in El Salvador.

It is common knowledge among Latinists that extreme inequality is present in most Latin American nations, but in the case of El Salvador, small size coupled with an elaborate and effective communications system serves to disseminate dissatisfaction very effectively among people. The country is a classic example of how the revolution of rising expectations engenders heightened political instability with each setback in the economy.[5] Compared with its other Central American neighbours, El Salvador is quite highly industrialized. The manufacturing sector of the economy generates 19·3 per cent of the GNP and comprises 23 per cent of exports.[6] And prior to the overthrow of General Carlos Humberto Romero Mena in October 1979, the country's largest industries in textiles and food processing showed promise while impressive expansion had also taken place in the cement, chemical and steel industries. But Romero's generous incentives to export-oriented industries could not stem the growing tide of opposition to his government's violations of human rights under the infamous 'Law for the Defence and Guarantee of the Public Order'.

The mixed military-civilian junta which replaced the repressive Romero regime[7] has fallen short of public expectations and the constant political-military turmoil has practically shut down the fledgling economy. The ambitious and unrealistic

[4] Historically, only 14 families—'los catorce'—have dominated real estate, banking and manufacturing; while the number today is actually considerably higher, the concentration of wealth and political power still remains dangerously restricted. See Transformación Agraria, ECA, San Salvador, September/October 1976, pp. 476–7.

[5] See James C. Davies, 'The J-Curve of Rising and Declining Satisfactions as a cause of Some Great Revolutions and a Contained Rebellion', in Hugh Davis Graham and Ted Gurr (eds.), *Violence in America: Historical and Comparative Perspectives* (New York: Bantam, 1969), pp. 690–730.

[6] See *Economic and Social Progress in Latin America: 1979 report* (Washington, D.C.: Inter-American Development Bank, 1979), p. 261.

[7] Since the original junta took over on 15 October 1979, the resignation of its civilian members led to the formation of two other governments, one last January and one at the end of March. At the time of writing, the members of the junta are: Dr José Ramón Avalos Navarrete, Dr José Napoleón Duarte Fuentes, Col. Jaime Abdul Gutiérrez, Col. Adolfo Arnoldo Majano Ramos, José Antonio Morales Ehrlich.

five-year plan (1978–82) initiated under General Romero, which called for a 7·5 per cent annual growth-rate, has been abandoned. So have many of the projects which promised to reduce unemployment by 20 per cent over the five-year period. The proposed construction of 140,000 dwellings and the building of regional hospitals has ground to a halt. Even the San Lorenzo hydroelectric power project funded by the Inter-American Development Bank, which was expected to provide 80 per cent of El Salvador's energy needs by 1981, is in serious trouble. The upward trend in the economy which showed real growth, averaging above 5 per cent from 1977 to 1979, has been reversed.

Opposing groups

Since its independence in 1821, El Salvador has witnessed many acts of political violence directed against the executive branch of government, sporadically threatening to plunge the nation into civil war. To the present day the problem of inequitable land use has been the source of confrontation between the government and the rural poor. Violent peasant uprisings occured in 1872, 1875 and 1898 and continued intermittently into the 1940s. Officially, the ruthless reactions of successive military governments have been based on the 'red scare'—a term used before the Second World War to describe the orthodox Communists who were organizing to challenge the political system, but now applied to the menace from the Left in general. In the early 1930s, after the Communist Party had espoused peasant reform, the infamous President Maximiliano Hernandez Martinez engaged in a systematic hunt for Communists which led to the death of 20,000 people.[8] Stiff anti-communist legislation has existed since President Julio Rivera in the early 1960s attempted to annihilate the Revolutionary Party of April and May (PRAM). Since that time, leftist groups have had no political anchorage in El Salvador and have not been permitted to compete legally with other political parties. Thus, leftist initiatives have had to operate outside the political process, using violent tactics and the strategy of terrorism. Since 1978, leftist guerrilla groups such as Fuerzas Armadas de Resistencia Nacional (FARN) and Ejército Revolucionario Populár (ERP) have increased terrorist activities against successive governments. FARN's militant tactics have attracted international attention. Its members have collected an estimated $40 million in ransoms and have claimed responsibility for the deaths of the internationally known coffee exporter, Ernesto Liebes, and the Japanese executive, Fujio Matsumoto.

But the largest of the three major leftist groups and the most threatening to the junta is the Popular Revolutionary Bloc (BPR),[9] which has grown to over 75,000 members made up of peasants, the intelligentsia and workers. Since 1977, when the government under General Romero took power, the BPR has had almost daily confrontations with established authority. The geographical focal point of leftist violence is no longer restricted to the rural areas of El Salvador, but has spread in all forms of organized networks to the urban centres.

[8] Carlos Gustavo Urrutia, *Historia de El Salvador* (San Salvador: Imprenta Criterio, 1965), pp. 112–15.

[9] The organizational base of BPR consists of the Federation of Christian Peasants (FECCAS), the Union of Farmworkers (UTC) and the Teachers' Union (ANDES).

Recently the BPR has been successful in attracting the support of seven other small, splinter-type, ultra-leftist urban groups to form a coalition called the Revolutionary Popular Unity Movement (MUP). The movement includes the Unified Popular Action Front, the Popular Liberation Front, the National Resistance Forces, the People's Revolutionary Army, the National Democratic Union, the Popular Leagues of 28 February (LP–28) and the Secondary Students Revolutionary Movement. The Popular Leagues gained international notoriety last February when it occupied the Spanish Embassy as well as the Christian Democrat Party Headquarters, and in the same month the Secondary Students Revolutionary Movement seized the junta's Education Ministry, holding over 1,000 people hostage. Another left-wing group of militants seized control of the Panamanian Embassy, taking the Ambassador and other people hostage, though the siege lasted only a day. Before these organizations created the MUP, they differed in their evaluations of the 15 October coup and the governing junta it produced, their views ranging from support for the electoral road to 'socialism' to advocacy of the violent overthrow of the junta and the spread of revolution to the other countries of Central America. But the revolutionaries now dominate the coalition. They advocate the increasing use of gun battles, national mass demonstrations, guerrilla raids against the military and embassy seizures to dramatize their demands. The Left is clearly consolidating and preparing to deliver the final blow to the junta.

But the extreme Right is also a significant variable in the revolutionary equation of El Salvador. When the junta began to dismantle the notorious Democratic Nationalist Organization (ORDEN), much of it went underground and resurfaced in the shape of several terrorist groups engaging in strong-arm tactics to counter the growth of the militant Left. Paramilitary groups such as the White Warrior Union have the support of the Army, Air Force, Navy, National Guard, Customs, Internal Police and the Salvadorean Territorial Service. In short, the strong arm of the junta is at their disposal and promises to polarize El Salvador even further. For this reason the junta's association with the Christian Democrat Party led by José Napoleón Duarte has divided both the military-civilian junta itself and the party. The Christian Democrats find themselves split as a democratic reform party somewhat left-of-centre but in coalition with the interventionist military which present themselves as a constant threat to their reformist strategy.

The Church has become a powerful factor in the growing shift of popular support for the revolutionary Left. The murder of Archbishop Oscar Arnulfo Romero last March left an indelible mark in the collective psyche of Salvadoreans and accelerated their identification with the goals of the MUP. The internationally known Archbishop tried to re-establish the roots of the Church in the rural areas of El Salvador by sponsoring literacy programmes, community development activities and religious education. He had successfully fought against General Romero's Public Order Law and provided the International Commission of Jurists (ICJ) with much information to bring violations of human rights to the attention of the international community.[10] The deep emotion surrounding his tragic death

[10] See International Commission of Jurists Report on El Salvador, September 1978, pp. 28–9.

may have made him more of a threat to the government as a martyr than he was formerly as an active critic and defender of the downtrodden. His own words were: 'If they kill me, I will rise again in the people of El Salvador.'

In February 1980, the Archbishop had sent a letter to President Carter urging him to stop the flow of military assistance to El Salvador so as to allow the country to resolve its own difficulties without external interference. Since November 1979 the United States had stepped up the transfer of monies and credits to the junta, and in December it advanced $205,541 in anti-riot equipment and $300,000 in international military education and training credits (IMET) to El Salvador. In March 1980, the Carter Administration announced its intention to push ahead with its programme of $5·7 million in foreign military sales (FMS) despite the Archbishop's plea for a non-interventionist stance by the US.[11] For its part, the US has argued that its influence was instrumental in forestalling a rightist coup in El Salvador and enabling the junta to introduce reforms like the expropriation of large private farms and the nationalization of the banking system.[12]

Notwithstanding the official position of the Carter Administration in defence of human rights, the potential geopolitical significance of 'another Nicaragua' has given strategic considerations greater priority. The mood in Washington has shifted to a harder and more activist stance in international politics and the fear of losing other countries in the Western Hemisphere to pro-Cuban forces is real. The case of the American hostages in Iran, the Soviet invasion of Afghanistan and the coming presidential elections have combined to make the US Administration less ready to avoid involvement in cases such as El Salvador.

The likelihood of lasting stability in El Salvador seems remote irrespective of whether the gathering forces of the Right or the Left are victorious in the struggle for power. But what has become increasingly obvious is that a moderate solution to the political turmoil is beyond reality. The persistence of acute political crisis, accompanied by the gradual erosion of respect for the country's institutions, inevitably fosters violence and the potential for violence. So far the junta has been successful in containing this volatile mixture. The future of El Salvador remains as unpredictable as tomorrow's news. No one knows for certain whether terrorism and violations of civil rights are diminishing or increasing and whether the economy is being set on its first tiny step towards recovery. What is certain is that El Salvador will be a very difficult country to govern.

[11] See 'El Salvador: U.S. Pushes Ahead with Military Aid Against Advice of Archbishop Romero', *Update Latin America* (Washington, D.C.: Washington Office on Latin America, Vol. V, No. 2, March/April 1980), p. 1.

[12] *International Herald Tribune*, 26 February 1980, and *New York Times*, 8 March 1980.

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Note of the month

AUSTRIAN AND SWISS NEUTRALITY

AUSTRIA prepares to celebrate the 25th anniversary of its declaration of permanent neutrality in October with a sense of achievement at having not only served its long apprenticeship but also taught master Switzerland some lessons in neutral foreign policy.

Permanent neutrality means non-alliance and non-partisanship by a state in peacetime as prerequisites for its non-involvement in war. To outsiders the recurrent 'non' might appear negative, even narrowly selfish. Switzerland and Austria, therefore, present permanent neutrality as being in the security interests of others as well as themselves, and as a positive factor in helping to reduce international, and especially European, tensions.

For their own and European security, Austrian and Swiss permanent neutralities have two main functions—reconciliation and separation. They reconcile in so far as they provide examples for peaceful coexistence. They separate in so far as they prepare to keep their territories outside conflicts between European rivals.

Reconciliation is a function of diplomatic neutrality. Separation is a function of armed neutrality. Austria has concentrated on the former, Switzerland on the latter. The reasons for the difference are historical and geostrategic.

Switzerland's whole history is of permanent neutrality as a nation-building formula for internal reconciliation between the Confederation's constituent ethno-linguistic groups that make up a microcosm of Western Europe. To protect this internal coexistence, Switzerland has always emphasized its separateness and armed neutrality. This has meant a passive foreign policy and active self-defence.

Since the end of the Second World War, the line of European tension has moved away from Switzerland, and now runs between East and West. Austria stands athwart the divide. Its neighbours include members of Nato and the Warsaw Pact. Its history is one of close relationships with both Eastern and Western Europe. This history and Austria's contemporary geostrategic position combine to produce a permanent neutrality that concentrates on external *reconciliation*—between East and West. Neither historically nor geographically is Switzerland in a position to advance East–West reconciliation. Nor is its permanent neutrality as closely related to contemporary détente as Austria's, which was a product of the early stages of East–West peaceful coexistence. Diplomatic and *not* military skills established Austrian permanent neutrality. Moreover, Austria's military prowess —unlike Switzerland's—has been discredited by defeats in major European wars since 1866. All these factors contribute to Austria's present-day reversal of Switzerland's priorities by development of passive defence and active foreign policies.

Austria's permanent neutrality is based on the Swiss legal model. This basis was a compromise result of a bargaining process in which Vienna sought a less re-

stricted neutrality like Sweden's and Moscow argued for a more restricted version akin to Finland's. With hindsight, from the bargaining process and subsequent early statements by Austrian leaders[1] it was evident that Austria would develop its own practice of permanent neutrality.

As a Swiss writer discerned: 'With the establishment of Austria's neutral status, Swiss neutrality has certainly lost an advantage. It has forfeited its exclusiveness in Central Europe.'[2] He added that, for better or for worse, Austria's practice of permanent neutrality would influence Switzerland's.

The influence has been mutual. Militarily, Switzerland's militia and psychological and civil defence programmes have set a pattern for Austria, which is still seeking to organize a credible self-defence. Diplomatically, Austria has set an active pattern for Switzerland, which since the mid-1960s has been slowly emerging from foreign policy passivity.

Austria's emphasis on diplomacy between East and West is partly an attempt to compensate for the country's exposed geopolitical position and its weak defences. Switzerland's less exposed position and its stronger defences mean that it has less need for such an emphasis, and no reason to share Austria's accordance of primacy to diplomacy over military defence as a means of security.[3] Instead, Switzerland is slowly developing its diplomacy as a complement to defence, and to this end has followed Austria's lead into the Council of Europe, the Conference on Security and Co-operation in Europe, and now the approach to full membership of the United Nations.

The Austrian emphasis on diplomacy, especially in furtherance of East–West coexistence, seems more appropriate than Switzerland's comparatively passive approach if viewed from the perspective of détente as the main guarantee of security in Europe. But the stability of the East–West balance of power obviously depends on détente *and* military deterrence. Viewed from this dual perspective, Switzerland's attempts at a security policy that brings military and diplomatic means more into balance seem much more appropriate than Austria's heavy reliance on diplomacy.

Austria's neglect of its military defences—particularly in the air—perpetuates on its territory a power vacuum that serves neither its own security interests nor those of its neighbours. Some of those neighbours—West Germany, Switzerland and Yugoslavia—have voiced their concern at this passive threat posed by Austria's military weakness.[4] Where that threat could lead is indicated by the

[1] See Josef Klaus, 'Die Neutralität—der neue politische Weg Oesterreichs', *Oesterreichische Zeitschrift für Aussenpolitik*, jrg vii (1967), no. 2, p. 169; Bruno Kreisky, *Die Herausforderung—Politik an der Schwelle des Atomzeitalters* (Vienna: Europa Verlag, 1963), p. 34.

[2] Robert Käppeli, 'Der Alpenraum und das Neutralitätsprinzip', *Schweizer Monatshefte*, jrg xli (1962), no. 11, p. 1148.

[3] Konrad Ginther, *Neutralität und Neutralitätspolitik. Die oesterreichische Neutralität zwischen Schweizer Muster und sowjetischer Koexistenzdoktrin* (Vienna: Springer, 1975), pp. 141–4.

[4] Herbert Eisenreich, 'Die Sorge der Offiziere und Politiker: Wien schnallt ab', *Die Welt*, 9 June 1971. Felix Ermacora *et al.*, *Weissbuch zur Lage der Landesverteidigung Oesterreichs* (Vienna: Styria Verlag, 1973), pp. 73–4. *Financial Times*, 4 March 1971. Peter Meyer-Ranke, 'Oesterreich—eine offene Flanke', *Die Welt*, 15 February 1971. Markus M. Ronner, 'Grenzt die Schweiz an der Sowjetunion?', *Die Weltwoche*, 27 November 1970.

Warsaw Pact's 'Polarka' plan to use Eastern Austria as a route for intervention in Yugoslavia.[5] Another indication comes from both Warsaw Pact and Nato manœuvres in Central Europe, which have assumed that the enemy would attack through Austria.[6] Switzerland's practice of neutral security policies has risked no similar assumptions.

So there are still lessons on the importance of defence in the credibility equation of permanent neutrality that Austria could learn from Switzerland. Meanwhile, what Austria is about to celebrate is a diplomatic achievement with military flaws—in other words a neutrality that would be unlikely to stand the test of war on its borders or across its territory.

PETER HOLT

[5] Werner Stanzl, 'Moskaus Aufmarschpläne gegen Oesterreich', three-part series, *Profil* (Vienna), jrg v (1974), no. 5, pp. 39–43; no. 6, pp. 28–36; and no. 7, pp. 30–3.
[6] (General) Emil Spannocchi, 'Der oesterreichische Kleinstaat im strategischen Zukunftstrend', *Oesterreichische Zeitschrift für Aussenpolitik*, jrg viii (1968), no. 2, p. 79.

The South African economy: potential and pitfalls

J. P. BLUMENFELD

In the mid-1970s, South Africa was deep in political and economic crisis. Internal political upheaval was precipitated by the fall of the Portuguese empire, the Angolan invasion débâcle, black industrial unrest and the Soweto riots. It was reinforced by the realignment of white parliamentary forces, the continued suppression of extra-parliamentary opposition, the resignation of Mr Vorster in the wake of the 'Muldergate' scandal, the rise of P. W. Botha and the military, and the search for a new constitutional dispensation.

Externally, there were worrying military and constitutional uncertainties in Namibia and Rhodesia. In addition, South Africa's apparently heightened vulnerability gave added impetus to the uncomfortable prospect of some form of mandatory international economic sanctions, notwithstanding the evident lack of enthusiasm of most Western governments for such action.

Meanwhile, the economic crisis, induced initially by the oil-price rise and the consequent world recession, and extended by the adverse climate of expectations, visited further privations on South Africa's have-nots. Even some whites were experiencing real economic hardship, probably for the first time in twenty-five years or more. Real incomes were actually falling; unemployment of all races was rising significantly; output was stagnant; there was a balance-of-payments crisis; investors were holding back; inflation was rampant; and the economy was shackled by a disproportionately large public sector intent on reaching its interventionist and regulatory tentacles into virtually every corner. The laager had returned with a vengeance and it is little wonder that the number of whites who felt the need to emigrate was sufficient to cause a net loss of migrants for the first time since Sharpeville.[1]

This combination of internal and external pressures excited hopes of at least the beginnings of meaningful, if non-revolutionary, changes in racial policies. Notwithstanding the relentless implementation of 'grand' apartheid, these hopes were encouraged by the various relaxations of 'petty' apartheid,[2] the seemingly reformist recommendations of the Riekert and Wiehahn commissions,[3] and the

[1] Most of the data on which this article is based were derived from the *Bulletin of Statistics* (Department of Statistics, Pretoria), March 1980, and from the recent *Annual Economic Reports* of the South African Reserve Bank.

[2] See *Race Relations Survey* (South African Institute of Race Relations, Johannesburg), Vol. 33, 1979, pp. 438 ff., for a detailed account of these changes. Also Michael Spicer, 'Change in South Africa? Mr P. W. Botha's strategy and policies', *The World Today*, January 1980.

[3] See *Report of the Commission of Inquiry into Legislation affecting the Utilisation of Manpower* (RP32/1979) and *Report of the Commission of Inquiry into Labour Legislation* (Part One) (RP5/1979), respectively.

The author is Lecturer in Economics at Brunel University, Middlesex. This article is based on a longer paper which he recently presented at the Chatham House Study Group on 'Southern Africa in conflict'. He wishes to thank Richard Hopgood, Leo Katzen and Peter Oppenheimer for their helpful comments and criticisms of the earlier draft.

increasingly 'verligte' rhetoric of some government leaders, particularly in respect of urban blacks.

Subsequently, however, the sense of imminent crisis in South Africa has largely dissipated. Since both internal political tensions and external uncertainties still abound, the proximate cause of this change would appear to have been a remarkable turnaround in the economic situation. Business and consumer confidence is now buoyant; the balance of payments is healthy; and investment, company profitability, industrial capacity utilization, employment and disposable incomes are all rising. Concomitantly, the rise in public-sector spending has been checked, and the government has begun to enunciate and implement a free-market philosophy.

It is, of course, arguable whether change in South Africa would be hastened more by economic expansion or stagnation. It is also debatable whether the earlier developments really presaged a move towards meaningful power-sharing, or were merely part of the 'modernization' of apartheid.

None the less, to the extent that economic factors, whether favourable or unfavourable, do contribute to socio-political change, it seems appropriate to look again at the 'state of health' of the South African economy. This article examines the nature and extent of the economic changes of the past eighteen months, and assesses the strengths and weaknesses, both existing and potential, of the economy.

Current economic climate

The move from recession to boom was fuelled by both internal and external developments.

Internally, after the virtual stagnation of 1976–8, growth in real GDP in 1979 was almost 4 per cent and was rising strongly towards the end of the year. This improvement, which had its origins in increasingly stimulatory monetary and fiscal policies from late 1977 onwards, became more widely diffused among the various sectors, including the manufacturing and construction industries, which had shrunk in real terms during the recession.

Among the general public, renewed optimism was reflected in late 1979 in rising share and property prices, and in rising consumer expenditure, especially on durable goods. At the same time, more firms began to rebuild inventories, which had been seriously depleted, and to report higher order levels. Renewed recruitment led to familiar complaints about shortages of skills, especially in construction. A sharp increase in the value of building plans passed, together with bullish expectations in construction and engineering, suggested a revival of fixed investment. Overall, the increased use of existing productive capacity had already shown itself in higher profit levels.

In agriculture, food output continued to rise and, with few exceptions, exports of crops expanded in terms of both value and volume. In mining, the output, export and price levels of diamonds, coal, iron ore and the various 'strategic' minerals were generally buoyant. And, of course, the monthly average gold price doubled over the year.

These developments probably resulted in higher real personal disposable incomes by the end of 1979, despite continuing inflation. This trend was given a

sharp boost by wide-ranging and substantial cuts in income taxes in the 1980 budget, and by large salary increases for civil servants, who account for a significant proportion of the total work force. Moreover, at least some blacks are sharing in the renewed prosperity. For example, the demand for telephones in black residential areas is increasing rapidly, and the programme of electrification in Soweto and elsewhere will inevitably stimulate demand for a wide range of products.

On the international front, gold was not the only source of economic optimism. With only minor exceptions, the balance of payments on current account had been in continuous deficit since 1964, often amounting to as much as 5 per cent of GDP. Since mid-1977, however, this account had shown a large and increasing surplus, reaching the record level of over R3,107 million in 1979, or 6½ per cent of GDP. Even without gold, the current account had improved considerably due to increased prices and higher sales volumes of both commodities and manufactured goods. Indeed, in 1978–9, for the first time since the Second World War (and possibly a lot longer), the value of merchandise exports equalled the value of merchandise imports. Previously the latter usually exceeded the former by at least 25 per cent, and often by very much more.

Of course, when gold is excluded, the current account as a whole was still in deficit because South Africa's 'invisible' earnings fell far short of its payments. None the less, the improvement was dramatic because the balance on the visible trade account was achieved despite the continued high level of defence spending and the burgeoning cost of oil imports.

South Africa's capital account with the rest of the world also revealed unexpected strength. True, there was actually a net capital outflow in 1979 of over R2,500 m., but almost 75 per cent of this was short-term capital most of which was probably 'switched' abroad to take advantage of the large differential between foreign and domestic interest rates. The net outflow of long-term capital also appears to have been accounted for primarily by repayments of external debt and not by lack of investor confidence. In fact, the outflow was actually officially encouraged as a safety valve to reduce excess domestic liquidity.

Overall, therefore, the balance of payments appeared healthy. Gold and foreign exchange reserves increased by almost R500 m. in 1979 to a level which covered almost half the total annual import bill (including oil and defence imports), compared with the three months' cover normally indicative of a 'prime borrowing country'.

Concurrently, foreign financial confidence in South Africa also increased. On the economic criteria for risk assessment—such as growth in GDP, debt–service ratios, ratio of reserves to imports, export earnings, energy price vulnerability, stability of financial markets, wealth potential (including the life of the gold mines) etc.—the country seemed a better bet. In the US Business Economist Risk Index, for example, South Africa rose from nineteenth to twelfth position, actually ahead of both Britain and France.[4]

The apparent strength of the economy was also reflected in the rising value of the currency. South Africa operates a dual exchange-rate system comprising 'financial rand' (FR) and 'commercial rand' (CR), with most transactions—

[4] See report in *The Star* (Johannesburg), Weekly Edition, 26 January 1980.

imports, exports, loan, dividend, profit and interest payments etc.—being made at the CR rate. This rate is 'managed' by the South African Reserve Bank. However, in 1979 the combined pressures of the improvement in the trade balance, the rise in the gold price, the increase in foreign-exchange reserves, and the overall economic upturn prevailed upon the Bank to allow some appreciation of the Rand.

The FR rate is used to enable non-residents to import investment capital into South Africa on concessional terms, and generally stands at a discount in relation to the CR rate. The FR market is still relatively small and is perhaps influenced more by non-resident demand for South African shares than for fixed investment opportunities.[5] But, as the rate is freely determined, it does serve as a 'quasi-political confidence index'.[6] That the average discount has tended to narrow within the context of a general upward movement of the CR rate suggests that this index has risen.

Though data are still scant, developments in the external position in 1980 seem to have continued in similar vein. With the increase in domestic expenditure, the visible trade balance has moved into deficit again, but the reserves have continued to rise with the average gold price so far this year probably almost double the $307 per fine oz. of 1979. Capital outflows have continued at a high rate, but the reduction in US and UK interest rates, together with recent measures by the authorities, have probably lessened the danger of a substantial deterioration in the payments position. At the same time, the Rand has continued its upward movement.

Possible problem areas

In the short run, any (or all) of steeply accelerating inflation, difficulty in financing imports, sharply reduced export earnings and, of course, a major crisis of confidence could severely inhibit real economic growth within a relatively short time. On present evidence, however, higher inflation appears the only one of these factors with a reasonable probability of occurrence (leaving aside the real but unpredictable possibility that political mismanagement, e.g. of schools boycotts or industrial action, will lead to widespread disruption of economic life).

Looking beyond the immediate future, growing black unemployment leading to political unrest, growing militancy and unionization among black workers leading to industrial disruption, and skilled labour shortages leading to a lower growth rate are among the most important potential constraints on the spread of prosperity.

(i) *Inflation.* Since rapid inflation not only undermines real investment (and hence job creation) but is also socially divisive, it is a politically risky policy. Inflation in South Africa has continued at 10–15 per cent p.a. since 1973. Will it rise further?

Price rises are currently being aggravated by several factors. The unwillingness to let the currency appreciate further is effectively 'importing' international inflation. It is also swelling the Rand proceeds of gold sales, and increasing corpor-

[5] See 'Financial Rand—a changing market', *Standard Bank Review* (Johannesburg), December 1979.

[6] See P. D. F. Strydom and M. B. Dagut, 'Exchange rates in South Africa', *S.A.J.E.*, June 1979, p. 134.

ate earnings which will fuel inflation through increased wages and distributed profits. Shortages of skilled labour on the supply side, and low interest rates on the demand side are also potentially inflationary. Nor is the system of administering the prices of many basic commodities moderating inflation: this year, the prices of a number of basic foodstuffs and agricultural inputs have been raised by up to 20 per cent.

However, in other respects, the policies of the Finance Minister, Mr Horwood, appear to be anti-inflationary. He has cut taxes in the hope that increased spending on domestic goods will lead to lower unit costs through improved capacity utilization; he has avoided the temptation to expand public expenditures; and, by abolishing import surcharges and quotas, he has not only reduced import prices but also restrained increases in domestic prices.

These policies are unlikely to reduce inflation significantly in the short run, but they could prevent it from accelerating. To the extent that the authorities will allow surplus funds to be temporarily loaned abroad, inflationary pressures will be further alleviated. The longer-term outlook is more uncertain unless both cost-push and demand-pull influences on the price level can be further reduced.

(ii) *Imports and exports.* When faced with balance-of-payments problems, South Africa has always been quick to employ import and/or exchange controls to protect its ability to acquire essential goods. The economy is then particularly vulnerable to reduced export earnings and to shortages of foreign capital, in the sense that the authorities have generally preferred to sacrifice growth rather than rely on the goodwill of the international money markets. Continued expansion of consumption and investment expenditures, together with lower import prices, will increase imports and hence the visible trade deficit again. The deficit would obviously be smaller, the faster the expansion of exports.

Supply side factors remain favourable for exports, especially as the effects of recent infrastructural improvements, such as the new harbours at Richards Bay and Saldanha Bay, together with new road and rail links, will extend into the longer term. On the demand side, however, export growth will depend in part on the severity of the present world recession, and on the gold price. For the moment, export prices and volumes are still rising, albeit more slowly, and there is no obvious reason why the gold price should tumble. Hence, unforeseen crises apart, the re-emergence of balance-of-payments problems in the near future seems unlikely.

(iii) *Investor confidence.* The relationship between economic variables and the political environment in South Africa is not always straightforward. When the economic and political climates are both propitious, growth seems assured; conversely, when both are unfavourable—as in 1975–8—growth is inhibited. But, as is the case now, rapid growth has occurred in the past despite political uncertainties. After Sharpeville, for example, there was an unmistakable sense of political crisis —a state of emergency, a succession of repressive measures, a campaign of sabotage, and the imposition of exchange controls to stem the flight of capital— yet an unprecedented period of economic growth ensued.

In part, this can be explained by the relative strength of economic inducements. The economy is structurally sound, the infrastructure is generally adequate, the market is growing, there is plenty of land and (unskilled) labour, and rates of return on investments in South Africa are generally high, even in relation to the political risks involved. Consequently, when demand is buoyant, available funds—including those held captive by exchange controls—will not long lie idle.

Another relevant factor is the economic role of the state. The post-Sharpeville boom, for example, was induced by unprecedented public sector spending on infrastructural and industrial projects. Subsequently, it is arguable that the dead-weight burden of the ubiquitous bureacracy slowed the pace considerably, and did little to promote respect for the state's ability to direct the allocation of resources.

Now, to the relief of the business community, the Prime Minister, P. W. Botha, has committed the government to a free-enterprise philosophy. It is easy—and at this stage probably wise—to regard the commitment with healthy scepticism. Yet there have been some changes. Political rhetoric notwithstanding, the last two budgets did effect the promised significant transfer of resources from the public to the private sector.

A move away from intervention with market forces is also reflected in the dismantling of import controls, the partial relaxation of foreign-exchange controls, the abolition of rent controls, and the (limited) labour market reforms. In addition, the Reserve Bank is gradually yielding to pressure from the Treasury to move towards a largely market-determined exchange rate, and the psychological impact of allowing so important a price to respond more freely to market forces is significant.

Of course, it may be that the lull in government activity is only temporary. The government may have been deterred from launching another major investment programme because its perceived priority areas of defence and oil-stockpiling were making enormous demands on its resources and because of the difficulties experienced in raising loans abroad in the mid-1970s. The present state of flux in the homelands policy is probably also inhibiting spending decisions which could again pre-empt resources on a massive scale. None the less, the government is currently perceived by businessmen to be facilitating rather than inhibiting growth, and this has undoubtedly stimulated investment expenditure.

Ultimately, however, the solidity of business confidence depends on the more imponderable element of political risk. Potential investors must evaluate the likely impact of the various internal racial, social and political tensions and divisions, together with the military and political situation in the whole sub-continent, on South Africa's economic viability in general, and the security and expected return on their investments in particular.[7] Moreover, the direction of causation runs not only from the political to the economic. There is also the question as to how economic growth—or the lack of it—will affect the processes of socio-political change. For the unequal distribution of both the material benefits of economic

[7] For a general discussion of the evaluation of foreign investment risks, see P. Gutmann, 'Assessing country risk', *National Westminster Bank Quarterly Review*, May 1980.

growth, and the burdens of economic hardship, amongst competing interest groups can have far-reaching political consequences.

Any assessment of South Africa's 'relative political stability' is necessarily subjective. None the less, when perceptions of reality can change as radically and rapidly as they did in relation to the Mugabe victory in Zimbabwe, and when the prospects for heightened inter-group tensions are so real, it is hard to avoid the conclusion that the renewed economic confidence in South Africa is fragile. Yet, it has so far survived not only Mugabe, but also urban guerrilla attacks, the renewed schools boycotts and more strikes. For the moment, therefore, it appears solid.

(iv) *Black unemployment*. Recent official and unofficial estimates of total black unemployment in South Africa range from almost 1 m. to over 2 m. respectively, or from about 10 per cent to 20 per cent of the work force.[8] An excess *supply* of unskilled workers does not, of course, directly constrain economic expansion. But it is widely—and rightly—feared that failure to provide adequate economic support for the burgeoning black population could be politically destabilizing. However, the conventional wisdom about this problem involves some misapprehensions; and wittingly or unwittingly, present government policies are likely to aggravate the problem.

There is a tendency, which arises from a misunderstanding of the employment problem in developing countries, to see the creation of *wage* employment opportunities as the crucial variable. The prospects of achieving this for the whole labour force in the foreseeable future are not realistic. However, this does not necessarily render the position hopeless. In reality many of the 'unemployed' are engaged either in subsistence agriculture, where they eke out a 'living', or in low productivity 'informal' sector activities, such as small-scale manufacturing, trading and servicing in the shanty towns and townships.

This fact does not diminish either the value of regular wage employment or the need to create more such jobs. Nor does it imply that the low productivity/low income occupations which permit people to keep body and soul together, but little more, are preferable to a secure and adequately remunerated job. But the subsistence and 'informal' sectors do provide an economic and—hence also political—safety valve in a country which gives virtually no support, financial or otherwise, to its unemployed, many of whom would otherwise literally starve to death.

In two respects, current government policies fail to take account of this safety valve. First, for all their faults, the squatter settlements which so offend government sensibilities, also play this supportive economic role, and the periodic attempts to bulldoze them may remove eyesores, but they do destroy livelihoods as well. A second and potentially greater threat is posed by the recent changes in influx control arising out of the Riekert report. Previously, for Africans who lacked valid documents, the benefits of illegal work often outweighed the risks of being

[8] See *Ninth Economic Development Programme for the Republic of South Africa*, Vol. 1 (Pretoria, 1979); and C. Simkins, 'Measuring and Predicting Unemployment in South Africa 1960–1977', in C. Simkins and D. Clarke, *Structural Unemployment in Southern Africa* (Pietermaritzburg: University of Natal Press, 1978).

fined, imprisoned and/or endorsed out. Employers, too, often preferred paying the minimal fines to spending time and effort on registering employees. In an attempt to make the system more effective, the burden of punishment has now been shifted to those illegally affording shelter and work. Offending householders stand to lose their own residential rights and employers could be fined up to R500. If these policies succeed in denying a large number of Africans even the barest form of economic survival in the towns, then the problem of real 'open' unemployment will be seriously worsened, and the potential for instability much increased.

(v) *Trade unions.* The government is clearly in a dilemma about black unions. Africans were for many years denied membership of registered unions, but the past decade has seen the accelerated growth of unofficial black and mixed unions. Now the Wiehahn Commission has conceded the principle that all workers should have freedom of association and has proposed that black unions should be permitted to register 'provisionally'. But whether this represents capitulation to the inevitable or an attempt to re-assert a modicum of control over the labour market is debatable.

Certainly, the government was unwilling to extend such rights to anyone other than 'permanent' urban blacks, and agreed to include migrant workers and homeland-based commuters only when virtually all the black unions declined to work within the new framework. Moreover, the 'rights' of the provisionally registered unions are so heavily qualified, and the Industrial Registrar's powers to thwart effective organization are so large and discretionary, that the new system may well be intended to contain and limit the growth of union power.

But, despite these limitations, a significant step has been taken towards greater unionization of black workers. A new accommodation between black unions, white unions, employers and the government will have to be negotiated—a process which will be fraught with potentially disruptive difficulties. Not least of these is the possibility of white union backlash, especially in less favourable economic circumstances, as white workers may perceive black advancement a threat to their privileged position.

(vi) *Skilled labour.* Shortages of skills have long precluded the attainment of full growth potential in boom periods. Immigration has proved only a temporary palliative, and the only long-term solution remains the spread of education and skills to blacks. But despite some progress, especially in the last few years, neither the private nor public sector has yet committed the necessary resources to vocational training.

The slow pace of change is partly attributable to the political significance of the problem. The acquisition of skills does more than enable a worker to increase his productivity. It raises his income, status and expectations, and alters his relationship with his fellow workers. It also gives him economic leverage. The dilemma of those whites who wish to have continually rising real incomes (via increased productivity) and yet to maintain the existing social, political and economic structure of South African society is particularly evident in attitudes towards the labour market.

None the less, there have been changes which, though relatively minor, have broken important psychological barriers. Recent examples are the lifting of restrictions which precluded blacks from exercising authority over whites and from working as skilled construction workers in white areas. With growing pressure for reform, especially from the business community, the skilled labour constraint on growth should be progressively eased.

Conclusions

Leaving aside political upheavals, the above analysis suggests that the South African economy has entered a period of expansion which only mismanagement of monetary and fiscal policies can frustrate in the short-term.

This is not to say that potential problems are entirely absent. The shortage of skilled workers, the small domestic market for manufactures and the deepening world recession may, as in the past, preclude the realization of the maximum growth potential. Continuing inflation could erode the recent increases in incomes and aggravate tensions between white and black workers. A large-scale return to capital spending by the state could re-create a shortage of investment capital, inhibit the growth of productive capacity and prick the growing bubble of confidence. In addition, an expanding ability to absorb labour remains critical for longer-term development. None the less, there are few signs of imminent economic difficulties.

But in South Africa, of course, it is seldom possible to 'leave aside' political factors. The South African economy arguably has a greater potential than in many other developing countries for the widespread distribution of material benefits. The reluctant concessions to black demands during the past few years have scarcely begun to tap this potential. Sadly, however, the white minority and their leaders continue to place this capacity in jeopardy by clinging to their monopoly of both economic and political power.

The Western Sahara in the international arena

JOHN GRETTON

OVER the last two years, the issue of the Western Sahara has come, in at least one respect, to resemble the Palestine question: to be in favour of the Western Saharan liberation movement (Polisario) is now like being in favour of the Palestine Liberation Organization (PLO), a touchstone of radical solidarity. As far as the Polisario is concerned, this has always been the case, to some extent, in Africa. Now, for the first time, it is becoming true of the Third World as a whole.

A striking example of this dramatic upturn in the Polisario's diplomatic fortunes occurred in February this year in Delhi, at the first full-blown United Nations conference on ways in which rich countries (represented by the OECD) could help poor countries (represented by the 'Group of 77') speed up their industrial and economic development. The two blocks reached an impasse. The 'Group of 77' included in its proposed final resolution a clause affirming support for the 'heroic struggle' of the peoples of Namibia, Zimbabwe, South Africa, Palestine and the Western Sahara. The Indian delegation, in an effort to reach an acceptable compromise both within the 'Group of 77' and between the two blocks, put forward a proposal that still contained a political resolution, but with all references to Palestine and the Western Sahara deleted. This compromise proposal, however, found little favour with either side, and was rejected by both.

The Delhi incident showed to what extent support for the Polisario as well as for the PLO had become an essential part of every progressive Third World country's ideological baggage. The terms of the resolution followed closely those adopted by the sixth non-aligned summit conference in Havana the previous August; these in turn reflected the position adopted by the heads of state of the Organization of African Unity (OAU) in Monrovia in July. They contrasted sharply with previous positions adopted by both the OAU and the UN, which rarely went beyond a pious affirmation of the right to self-determination.

Opposed Moroccan and Algerian strategies

This shift was all the more remarkable in that the two main protagonists, Morocco and Algeria, not only had diametrically opposed views on the future of the territory but also followed radically different strategies with regard to the various organizations. Morocco concentrated its mainly defensive actions on the OAU, leaving the Algerians free to make the most of their position as one of the recognized leaders of the Third World in the wider arenas of the non-aligned

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conferences and the UN. Algeria took full advantage of this, while building up support within the OAU by energetic lobbying for recognition of the Sahrawi Arab Democratic Republic (SADR), the governmental arm of the Polisario.

That divergence of strategy is linked to the nature of the dispute. Morocco's claim is essentially historical; because its influence had once been recognized in the Western Sahara, therefore it should be now. However, it was no good arguing that sort of traditional, pre-colonial, pre-nation state case before a body such as the UN, which had come to be the forum, par excellence, of the decolonized part of the world—of those countries, in other words, that owed their very existence to the concept of the nation state as imposed upon them by their former colonizers. This was at the heart of the dilemma faced by the International Court at The Hague when, in 1975, it delivered its Solomon-like advisory opinion on the question, at the request, it must be remembered, of the UN: yes, in terms of post-colonial nation-state politics, the people of the Western Sahara had a right to self-determination; but yes, also, in terms of the pre-colonial, original traditions of most Third World countries, Morocco did have a case.

In the UN, self-determination is sacrosanct; it was the means to decolonization. But in more regional organizations, where principle could be tempered by an awareness of the realities of a particular situation, the position was different. The Arab League, most of whose members were inclined to be sympathetic to Morocco anyway, was no problem. Even in the OAU, Morocco had a number of sympathizers, and these became even more numerous as a result of King Hassan's foresight in bringing in Mauritania, with its impeccable anti-colonial, 'left-wing' credentials, as an ally on his side. At the UN, therefore, Morocco in the main argued that the UN was not the place to debate the issue at all: the Western Sahara was a regional matter that ought to be reserved for a regional organization, such as the OAU. In the OAU, however, Morocco argued with equal vehemence that it was no business of that organization either; the Western Sahara was an integral part of Morocco that was being decolonized rather late.

Algeria's position, which happily combined principle with expediency, was much more straightforward. Having fought an eight-year anti-colonial war for the right to self-determination and independence, and as a prominent member of the non-aligned group of nations, it was well placed to argue the Polisario's case at the UN and elsewhere, based on the 1960 Resolution 1514 on the 'granting of independence to colonial countries and peoples'. Within the OAU, Algeria also started off in a strong position as a country to whom the smaller radical and progressive states looked for leadership. Although the Algerians had advised the Polisario against announcing a government and had been taken by surprise by its proclamation in February 1976, they had concentrated their main efforts on getting official recognition of the SADR. Nine countries gave that recognition almost immediately, but thereafter progress was slow; only a further nine recognized the SADR in the two years leading up to the second anniversary of the proclamation of the Republic. By February 1980, however, the number had doubled again to 36.

Lobbying for support

How these strategies turned out in the different organizations depended partly on the skill deployed by the partisans of either camp, and partly on what was actually happening on the ground. The first debate at the UN to be held after the reference to the International Court at The Hague took place only about three weeks after the signing of the tripartite agreement of November 1975 at Madrid by Mauritania, Morocco and Spain.[1] Little was known about events in the territory, apart from the advisory opinion of the International Court, which had been published in October 1975, along with the pro-Polisario report of the UN visiting mission. It was, therefore, fairly easy for Algeria to gain support for a straightforward motion which recalled all past resolutions on the right to self-determination, noted the two reports, and requested the Spanish Government, the UN Secretary-General and the Special Committee of the UN to 'make the necessary arrangements for the act of self-determination'. It made no reference to a referendum as such, and urged 'all parties concerned and interested to exercise restraint'. In fact, it was so well worded, and so much in accord with what appeared to be happening, that 88 countries voted in favour, 41 abstained, but nobody voted against. Those in favour included Soviet Russia and the EEC countries; the United States abstained, along with a number of Arab and African countries. The latter included countries such as Gabon and the Central African Empire, who normally vote on those matters in accordance with French policy—but France, bound perhaps by considerations of European solidarity, had voted in favour. Morocco and Mauritania were joined by China and Malta in not taking part in the vote.

The counter-resolution put forward by Morocco was much more concise than the other; the essential difference lay in the absence of any reference to 'concerned and interested parties' and the request that the right to self-determination be exercised under the supervision of the interim administration—i.e. the signatories to the Madrid agreement—rather than by Spain and the UN. Voting was 56 in favour, 42 against, with 34 abstentions. Those in favour included, this time, the United States and, once again, the EEC countries, along with many of the Arab and African countries, such as the Gulf States, Central African Empire, Gabon, Senegal and the Ivory Coast, which had abstained on the earlier vote. The USSR and the Soviet bloc voted in favour, with the exception of Romania (which had voted for the Algerian motion).

Neither side reached the crucial two-thirds majority required to make any resolution binding and enforceable, though the vote for the Algerian one came close to it. What was most striking was the similarity between the two resolutions; both referred to self-determination, neither mentioned the Polisario, independence or a referendum. In fact, this spurious measure of agreement can probably be attributed to ignorance, the surprise effect of King Hassan's 'green march' and the Madrid agreement, and the ritual nature of the whole exercise. Over the

[1] For background, see the present writer's *Western Sahara: the fight for self-determination* (London: Anti-Slavery Society, 1976); also John Mercer, 'Confrontation in the Western Sahara', *The World Today*, June 1976.

previous year or two, the OAU had made it plain that it considered the future of the Western (then Spanish) Sahara to be a question for the UN; and the UN chose to treat it as a straightforward issue of decolonization. But that pretence was soon to be shattered.

Two months later, in early February 1976, the Moroccans summoned a meeting of leaders of Saharan tribes in a 'djemaa' and called it self-determination, but Kurt Waldheim, the UN Secretary-General, refused to give it his seal of approval. At the end of the month came the Polisario's proclamation of the SADR. In July, the heads of state of the OAU, meeting in Port Louis (though in the absence of Morocco, which boycotted the summit), debated a motion which referred unambiguously to the 'national rights' and 'national sovereignty of the Saharan people', but did not mention the Polisario. The resolution was not adopted and a compromise, put forward by Nigeria, called for a special summit to debate the issue. This enabled the fifth non-aligned conference in Colombo the following month to express the hope that the special summit of the OAU would lead to a solution; and the UN Fourth Committee adopted almost the same words in November. The motion, however, did not go up to the General Assembly; just as two years earlier, the OAU had been glad enough to hand over responsibility to the UN, now the UN was sloughing off responsibility for an increasingly complex situation back on to the OAU. Both Algeria and Morocco had some reason to be pleased with the way things had gone. The Algerians had put in a lot of effective groundwork in the Liberation Committee and Council of Ministers of the OAU, both of which recommended that the Polisario be recognized as a liberation movement by the OAU. However, the Foreign Ministers' recommendation was overturned by the Port Louis Summit, partly through some frantic telephone lobbying of absent heads of state by President Ould Daddah of Mauritania, and partly because Morocco threatened to withdraw from the organization if it was allowed to stand. From Morocco's point of view, its main goals had been achieved: the issue had been kept out of the UN, the OAU had avoided taking a stand, and no date had been fixed, or seemed likely to be fixed, for the OAU special summit.

Mauritanian withdrawal

The following year, leading up to the November 1977 General Assembly debate on the Western Sahara, followed a similar pattern. On the ground, the Polisario were establishing themselves as one of the finest guerrilla forces in the world, and were beginning to wreak considerable damage, particularly on Mauritania. Their choice of main target may have been dictated by knowledge of Mauritania's relative weakness, but the awareness that their cause would gain added respectability in many Third World circles if Mauritania was no longer an enemy must have weighed heavily with them. The OAU summit at Libreville in July did not even debate the issue, though following it, several genuine, but abortive, attempts were made to convene the special summit that had been decided on the previous year. An earlier attempt in April had failed because of the withdrawal by both Morocco and Mauritania from all OAU activities following the officially recognized presence of Polisario representatives at the Lomé Council of Ministers. In

the end, and despite Algeria's efforts, no head of state could be found who was willing to bear both the expense and the almost certain risk of failure attached to hosting such a summit. The UN General Assembly adopted without objections, in the presence of 83 members, a resolution reaffirming its commitment to the principle of self-determination, expressing hope in the deliberations of the special OAU summit and deciding 'to resume consideration of the question' at its next meeting.

Events in the Sahara began to move fast. Persistently successful Polisario attacks on Mauritania caused France to intervene actively on behalf of Ould Daddah.[8] But that did not prevent the coup d'état in July 1978, on the eve of the Khartoum summit of the OAU, which led to Mauritania's effective withdrawal from the war. Recognizing its failure to hold a special summit, the OAU instructed President Numeiry of Sudan to form a committee that would prepare the ground for one. Morocco accepted this compromise without difficulty; at worst, it would lead to further delays in the holding of a special summit, and at best, given that President Numeiry was a friend who had always voted the Moroccan ticket at the UN, it might come up with something positive for Morocco. But that was to reckon without the delayed effect of the defeat—for that is what it was—of Mauritania. Morocco had not only lost an ally, it had lost the basis for much of the support it had within the OAU. The five countries chosen by Sudan were Tanzania, Mali, the Ivory Coast, Guinea and Nigeria. Four of those—Tanzania, Mali, Guinea and Nigeria—had voted the Algerian ticket in 1975, though Mali and Nigeria had abstained rather than vote against Morocco. Now, in 1978, Sudan, Mali and Nigeria voted for both the Algerian and the Moroccan motions, while the Ivory Coast abstained on both; Tanzania and Guinea continued to vote the Algerian ticket.

In fact, it was rather difficult for African states not to vote for both resolutions. Apart from an explicit reference in the Algerian one to the fact that the Polisario had made a statement to the UN Fourth Committee, the essential difference between them lay in the question of who had ultimate responsibility for bringing about a solution: the Algerian one laid it firmly at the door of the UN, the Moroccan one laid it equally firmly at the door of the OAU. Voting was high on both resolutions: the Algerian one got 90 votes for (bringing it the nearest yet to a two-thirds majority), ten against and 39 abstentions; the Moroccan one 66 in favour, 30 against and 40 abstentions. The USSR voted for the Algerian resolution, and abstained on the Moroccan one; the United States did exactly the converse. The EEC countries abstained on both, while Spain voted for both. Mauritania, for what was to be the last time, voted the straight Moroccan ticket. Significantly, the support of the Arab Gulf states for Morocco was noticeably more lukewarm: while most of them, including Saudi Arabia, voted for the Moroccan motion, they abstained on the Algerian one; and Kuwait abstained on both.

But the biggest blow to Morocco had come from Tanzania. Just before the UN debate, and indeed just prior to the first meeting of the OAU sub-committee (which it did not attend), it announced that it had recognized the SADR. The committee

[8] See Julian Crandall Hollick, 'French intervention in Africa in 1978', *The World Today*, February 1979.

got round the difficulty by proposing that the Presidents of Nigeria and Mali, together with the OAU Secretary-General, should visit all interested parties, including the Sahrawi people, and report. These visits took place between 1–5 May 1979. There were few surprises, according to reports of the full sub-committee's report and recommendations to the Monrovia summit in July that were leaked to *Jeune Afrique* (8 August 1979). The Mauritanians were in favour of self-determination and were ready to take part in a global solution, as long as the other protagonists were willing to make concessions; if not, they must not prevent Mauritania from making its own peace. The Algerians insisted that they had no direct territorial or other interest; for them, it was purely a question of decolonization. The Polisario, intransigent as always, insisted that those occupying the Sahara simply evacuate it; for them, self-determination had already taken place. The Moroccans agreed with that, to the extent that they claimed that a 'tacit' referendum had already taken place among the population under their control; there was no question of compromising on a point of territorial integrity, but they were ready to talk directly to Algeria.

The working group presented its report to the sub-committee and, at the same time, in an unexpected move, sent the Secretary-General to Spain, where he met both the Foreign Minister and the Prime Minister. The Spanish government insisted on its responsibility as the former colonial power and its concern for a peaceful solution; the free exercise of the right to self-determination; and the fact that the November 1975 Madrid agreement did not transfer sovereignty over the area from Spain to Morocco and Mauritania, but merely administrative control. The sub-committee met again on 23 June, with both these reports before it. In its conclusions and recommendations, which formed the basis for the OAU resolution the following month, it referred to the fact that 'all the interested parties, with the exception of Morocco, were agreed that the people of the Western Sahara had not exercised the right to self-determination'. This was not quite accurate, as it ignored the Polisario. The committee also adopted, without modification, the Spanish interpretation of the Madrid agreement, and recommended that all parties accept a cease-fire and then submit the question to a referendum, to be carried out in the Western Sahara, under the auspices of the United Nations.

Further Moroccan reverses

Morocco's influence was at its lowest ebb and, to add injury to insult, the Polisario had carried out a number of successful raids into Moroccan territory. Following an attack in June 1979, Morocco determined to take the matter of 'Algerian agression' to the Security Council, over-ruling the advice of the African group at the UN, but eventually it withdrew its complaint. At its Monrovia summit, in July 1979, the OAU, after a debate in which, contrary to the normal rules of procedure (as Morocco, correctly but ineffectually, claimed), two votes were taken, adopted the recommendations of its sub-committee by, just, a two-thirds majority. The OAU thus committed itself, in binding fashion, to seeing that the conflict was solved through the exercise of a referendum.

Mauritania voted for the resolution against Morocco. The main effect of this

was to liberate from their qualms other African states who might have been hesitating. And this was the real measure of the Polisario victory a year before, which the peace treaty signed in August 1979 in Algeria between Mauritania and the Polisario merely confirmed. The whole episode gave a tremendous boost to the Polisario's cause diplomatically. Several more countries recognized the SADR, and a further eight did so in the course of, or immediately following, the non-aligned summit at Havana at the end of September 1979, bringing the total to 32. Moreover, Algeria did not have to work particularly hard to get these recognitions; the momentum was there. The same applied to the Havana resolution on the Sahara, which went further than the OAU one by mentioning the Polisario by name in connexion with the peace treaty with Mauritania, and by condemning Morocco for its occupation of the formerly Mauritanian-controlled part of the territory.

It was now clear that the next round, at the UN, was going to be extremely tough for Morocco. King Hassan did float the idea of a smaller regional grouping, consisting of the neighbouring Sahel countries, getting together to look at the problem from an economic point of view, in a letter to President Tolbert of Liberia at the end of August; but the idea did not 'take'. In fact, the Algerian-backed motion, in its original form, went well beyond anything that had gone before. Moroccan lobbying, for example, managed to get the Algerians to drop a reference to the Polisario as 'unique and legitimate' representatives of the Sahrawi, which would have been tantamount to prejudging the issue of self-determination, but the resolution in its final form still recognized the 'legitimacy' of the Polisario's struggle to secure the 'inalienable right to self-determination and independence'. The Moroccan delegation failed to get removed another clause congratulating the Polisario on its peace treaty with Mauritania on the same grounds —that it implied recognition of the Polisario as a legitimate representative of the Sahrawi. The resolution 'deeply deplored' the aggravation of the situation resulting from Morocco's continued occupation of the Sahara, and from its extension of that occupation into territory recently abandoned by Mauritania. The real sting, though, was in the tail: the resolution not only called on Morocco to join the peace process but also insisted that the Polisario should participate fully in any such process. At the Fourth Committee stage, 83 countries voted for the resolution and 43 abstained; but only five—Gabon, Guatemala, Morocco, Saudi Arabia and Zaire—could be found to vote against; in the General Assembly, the voting was 85 for, seven against (the Central African Empire and Equatorial Guinea rallied to Morocco's side), and 41 abstentions.

Unexpected Polisario setback

Shortly after, President Tolbert convened a meeting of the special sub-committee in Monrovia, and invited President Chadli of Algeria and King Hassan of Morocco to attend. At the last minute, the King cried off and, in an incredible language mix-up, the assembled heads of state called on Morocco, in French and Arabic, to withdraw its troops from the whole of the disputed territory; however, the English version, which was finally judged to be the correct one, referred only

to that part of the Sahara which had formerly been occupied by Mauritania. They had also conceded much more to Morocco than was generally recognized over the question of a referendum. For though they called for a referendum, to be organized jointly by the OAU and the UN and to be policed by an all-African force, they also recommended that the Sahrawi should be offered the choice of accepting the status quo or opting for independence. In other words, they implicitly conferred a measure of legitimacy on Morocco's presence in the Western Sahara. The OAU genuinely wants to leave the way open for a face-saving compromise. It has taken Morocco's arguments for a regional approach to a regional problem at their face value.

Outwardly at least, the Moroccans have not chosen to see it in that light. They have tended to polarize the issue in order to get their way. At the OAU summit meeting in Freetown in July 1980, the tactic worked once again, but only just. The Polisario formally requested that the SADR be admitted as the 51st member of the OAU. The decision could be taken on a simple majority vote of heads of state, and out of the 40 states that had accorded recognition to the SADR by that time, 23 were members of the OAU. The three more required to make up the necessary majority were found during the summit itself: Chad, Mali and the host country, Sierra Leone. It was expected that recognition of the SADR would entail Morocco leaving the organization; what was not expected was that, on the basis of a head count by the Senegalese delegation, another 14 countries might follow suit. This, combined with a surprisingly pro-Moroccan speech by President Sékou Touré of Guinea, persuaded the delegates to accept a Nigerian compromise. Without a vote being taken, it was decided to refer the question back to the sub-committee.

In the opinion of most observers, that represented a major setback for the Polisario. Just how major will probably depend on what happens at the UN in the autumn. But at the same time Morocco appeared to take a giant step forward. The final resolution contained a clause congratulating Morocco on 'its willingness to begin discussions with all interested parties'. If that really represents Morocco's position, implying as it does, with its echoes of the previous year's UN resolution, a willingness to talk to both the Polisario and Algeria, than it constitutes a radical U-turn in Moroccan policy. The question than almost becomes: is President Chadli willing to play Sadat to King Hassan's Begin?

Separatism and centralism in Corsica

PETER SAVIGEAR

IN assessing the relevance of the recurring disturbances in the French island of Corsica (now consisting of two departments, *Corse-du-Sud* and *Haute-Corse*), there is a temptation to dramatize and to exaggerate the extent to which the political structure of metropolitan France has been and is being shaken. It is not immediately at risk. Nevertheless, events in Corsica do have a bearing on the Frenchman's conception of his state, because they challenge his idea of a monolithic centralized France embodied in the Fifth French Republican Constitution of 1958.

It is no coincidence that in 1958 this region, then simply the Department of Corsica, should have been the first to express support for the Algerian revolt against the government of the Fourth Republic. Under the Fifth Republic, too, Corsica's relations with the Paris government have remained uneasy, and the last decade has been marked by increasing bitterness, tension and violence.

At the beginning of 1980, Corsican nationalists again challenged the French authorities in a number of incidents, including the taking of hostages and the occupation of a hotel in Ajaccio in January, which resulted in three deaths. The trial of seven Corsican activists ended in May with heavy sentences of imprisonment on all the accused, and in July several more were convicted for planting bombs and plotting against the state. In April, the four Corsican members of the National Assembly attended a special meeting with President Giscard d'Estaing to discuss wide-ranging government measures aimed at social and economic improvements in Corsica: clearly it is no longer possible for the continental French administration to ignore the pressures coming from the island. But what progress is being made?

Old and new controversy

There is little indication that the outstanding issues between many Corsicans and the French state are about to be happily resolved. All the signs seem to be that they will persist and that tensions may become more violent and pressing. Indeed, little seems to have changed since 1975, the occasion of the last serious clashes between government forces and islanders.[1] Those Corsicans who wish to see change, or merely effective political action on the part of the government, have been disappointed so far. At the same time, they continue to find suitable material with which to keep their grievances alive with a disturbing ease.

In December 1979 and January 1980 the new issue was 'provocation'—the suspicion that deliberate agitation was being fostered by the administration in order to excite and finally incriminate the local Corsican activists. This was

[1] See P. Savigear, 'Corsica 1975: politics and violence', *The World Today*, November 1975.

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encapsulated in the suggestive and even nostalgic word '*barbouzes*'— or '*barbouzi*' as the Corsicans prefer—a term used during the Algerian troubles in the 1950s to denote government-planted agents provocateurs. The word is full of associations with an Algeria closely linked to Corsicans and Corsica, by personal ties among individuals and recent historical events: not only was there common cause between Algiers and Corsica in May 1958, but many Corsicans have also lived and worked in North Africa, and in Algeria in particular. The connotation could not be missed. '*Barbouzi fora di Corsica*' said the slogan on the wall visible from the room in which this article was written. Those wishing to keep up the political pressure on the French government found a dramatic issue: they claimed to have discovered a 'barbouze', perhaps even a network of 'barbouzes', established around the 'pro-French' organization, *Francia*. From this allegation sprang the taking of hostages, first the three armed men taken at the village of Bastelica (innocent hunters or suspect 'barbouzes' according to one's political allegiance) and then the inmates of the Hotel Fesch at Ajaccio. These events have now passed; the casualties have occurred, including some pathetic passers-by, and the siege is long over. But some assessment is clearly necessary and disquieting features stand out.

While it may be difficult to see how the authorities could have responded differently, it is clear that they have again been caught out by the Corsican 'autonomists'. (It is hard to find a more appropriate term. Some wish for independence, as do the *Front de la Libération Nationale Corse* (FLNC), others are more in the tradition of earlier groups like the *Action Régionaliste Corse* (ARC), or the *Action du Peuple Corse* (APC) held together by the Simeoni brothers, in calling for autonomy—regional *autogestion*—with local political powers of decision but with the French state meeting the bills.) The outcry against '*barbouzes*' and the consequent actions of the police and the riot-squads (CRS)[2] have triggered large demonstrations of sympathy for the Corsican autonomists, and not only by young hotheads. As in 1975, when it was the issue of scandals in the local wine-trade which precipitated events, notably at Aleria,[3] those bent on keeping the political and constitutional dimension in the public eye have successfully found a means of doing so. French authority is again suspected of malicious interference in Corsican affairs. Estimates of the crowd which demonstrated at the behest of Dr Edmond Simeoni, the autonomist leader, in Ajaccio in January, vary from 5,000 to 30,000: at all events, it was a large crowd sympathetic to the broad policy of asking for political changes in Corsica.

Disquieting new features

A further disturbing aspect of recent events is that the seasonal fluctuation in violence and melodrama seems to be less pronounced. Hitherto major clashes have tended to occur in the late summer, in August and early September when many Corsicans, particularly young students, habitually return to the island. For instance, the annual autonomist conferences have usually been held in August, and the Aleria events of 1975 and 1976 also occurred at this time. Although some major demonstrations have taken place at other seasons—the outcry against the dumping

[2] *Compagnie républicaine de sécurité.* [3] P. Savigear, *loc. cit.*

of industrial waste off the coast of Corsica by the Italian company Montedison reached a climax in March 1973, coinciding with the national elections—it is a worrying new feature to find a violent and extended clash in Corsica during the winter months. This is underlined by the proportionately larger number of explosions that occurred this year from January to April compared with similar months in previous years: there have been 145 in 1980. This may be a result of greater impatience or better organization, or it may be due to larger numbers of unemployed Corsicans staying on the island and not returning to their usual places of domicile in Paris, Marseilles and Nice. However, greater violence is likely to lead to less widespread support for Corsican militants. General support will be forthcoming, as in the past, for their broad aims, and for the successful exposure of administrative and other abuses. It may *not* go to an increasingly violent minority whose bomb attacks are likely to affect the majority. These attacks have tended to be against the property of banks and insurance companies and against broadcasting installations, and levels of inconvenience are rising.

Moreover, the island's political leaders, notably the four Gaullist deputies and the Senators, have found it difficult to make their efforts seem relevant, and their concern capable of yielding significant results. Whilst they have discussed plans for the future of Corsica with moderation and some success, this is unlikely to satisfy the more militant. Press reports have already indicated the poor response to M. Pierre Pasquini's attempts to mobilize the mayors and moderate political opinion in Corsica. He has managed to gain some support from known Gaullists but not much from the rest. It is all rather *déjà vu*; the deputies make strenuous efforts, but the initiative lies elsewhere; they are no longer the leaders of Corsican political opinion.

Public officials have long been associated with economic palliatives, and the deputies have recently come out with more of the same recipe. It is worrying that there should be so much cynicism and public mistrust of this policy. In fact, the Corsicans are again to benefit from government intervention and aid, the extent of which is already substantial. For example, it costs the present writer virtually the same to transport his car and family from Nice to Corsica for the subsidized six-hour, second-class crossing (it can be longer depending on the port of arrival on the island) as it does to get them from Dover to Calais. The concessions, subsidies and tax reliefs cover an impressive range of projects, but to many Corsicans these aids are not enough. Similar benefits have, incidentally, been standard policy since the eighteenth century, but have become much more significant since 1947.

Politically motivated discontent

The central point would seem to remain that made many years ago, and often repeated by the autonomists. Discontent among Corsicans is essentially political and not economic. There is a wide gulf between the Paris government and the autonomists here. In 1976, the then Corsican Prefect of Corsica, Jean Riolacci, in a private interview with the writer, made the point that Corsica *did* benefit from a special status within the French state, a status enshrined in the accumulated legislation by which the island received vast subsidies and fiscal advantages from the

French government. He was and remains correct, but many Corsicans still need convincing that special status can lie in these economic arrangements, and does not require a special constitutional provision.

The autonomists continue to avoid the issue. They have been poor on economic arithmetic, and the separatists would seem to be worse. If they wish to remain credible, they will have to explain away the large public funds already allocated to the island. France pours money into Corsica for relatively little return except a great deal of political tension. The figures are inevitably misleading. The *c.* 3,000 million francs which flow into Corsica must be set against receipts from the island, and, as Dr Max Simeoni has pointed out, against Corsicans' investments in France. However, the conclusion has long been sharp and clear: it is a political accommodation which is sought by the Corsicans, and the longer it is delayed, the greater the levels of violence are likely to become.

The French government has consistently opposed a constitutional modification. In 1976, the Socialist Party made a proposal for a law which would give Corsica a special constitutional status. It is possible that this would be revived were a Socialist to become President or Prime Minister. The APC proposed a derogation from Article 72 of the Constitution in 1979. This has also not fallen on fertile soil in Paris. Indeed, at the April talks between the President of the Republic and the Corsican representatives, it was made clear that constitutional change could not be contemplated and the indivisibility of France was not to be questioned.

The constitutional principle is clear, as is the economic reality. How then can there be a way forward other than continued violence? Corsica cannot change socially and economically without a colossal investment. Indeed, many autonomists would fear the results of such a programme, with adverse implications for the magnificent scenery in the interior and the coastline. Many are ecologists as much as autonomists. Yet, in many ways the direction of any political accommodation lies with the Corsicans. The rest of France remains surprisingly indifferent and ignorant of the matter. Even in a city like Aix-en-Provence, only a few miles from Marseilles and Nice, the principal points of contact between mainland France and Corsica, with a Corsican student population, there is scarcely any readily available information about events in Corsica. *Arritti*, the autonomist paper, and *Kyrn*, a perfectly respectable journal, are impossible to obtain.

To this ignorance in France must be added political confusion in Corsica. It is not clear how extensive is the support for the various groups, especially the FLNC and the UPC (*Union du Peuple Corse*, formerly the APC) and Dr Simeoni. Nor is the mood of the majority easy to assess. They have turned out to march in demonstrations of solidarity, but what are their political views? Traditional party loyalties and votes are no indication. Corsica has long had a higher abstention vote than any other part of France; even de Gaulle could rarely raise a 50 per cent turnout; all the deputies are currently RPR.[4] It is therefore hard to establish the reality of political forces in Corsica.

The position is made yet more awkward by the absence of an outstanding Corsican political leader. Dr Edmond Simeoni is increasingly speaking only for

[4] *Rassemblement pour la République* (Gaullist).

part of the autonomist/separatist Corsican opinion, and some reports suggest that he is already a figure of the past. His brother Max has seemingly withdrawn from the front line of political activity. Many of the groups which can be identified have a semi-secret existence, on the margins of the law. No recognized political leader has emerged from them during the last decade.

This absence of a politically responsible individual has made negotiation and accommodation difficult, if not impossible. No political solution can be sure of stable support because all parties are working in the dark without the guidance provided by a strong political leader. In such circumstances, the French government has no option. It cannot begin to negotiate or discuss with any Corsicans other than the elected representatives. The impasse is compounded by the lack of conviction which the political and business leaders and spokesmen carry in Corsica.

The future, therefore, is complex and the current situation shows little scope for immediate improvement. A certain level of violence is likely to persist with a repetition of the dramatic and possibly tragic occurrences witnessed with increasing intensity since the 1960s. Unfortunately, the outstanding scenic attraction of the island also makes the rooting out of clandestine groups and the perpetrators of bomb attacks extremely difficult. There are myriad places tucked away amid the mountains and the dense forests and maquis where explosives can be prepared and fugitives can hide. A high concentration of police and other forces must be expected. Whether they have always been used with care and discretion in moments of public excitement and in the tense circumstances created by the thin line between a demonstration and public disorder, is a quite separate question. Some of the answers must lie beyond the purely Corsican dimension and in the broader matter of the organization of public order and police forces. In English eyes, the creation of several different policing structures (police, gendarmerie and CRS) has led more easily to a loss of control than the traditional British methods. The question is far from cut and dried, but violence in Corsica may be encouraged by this kind of organization which gives rise to Corsican complaints of deliberate victimization—a matter that might be pondered by 'specialists'.

In conclusion, therefore, the Corsicans have to live with an element of violence. This is still far below the intensity of that in Northern Ireland. Loss of life has been negligible, confounding those romantics who believe that bloodshed is endemic in such sunny Mediterranean lands. Meanwhile, the Corsicans have to make clear whether they really wish a change in their constitutional status, or merely the continued rectification of those undoubted abuses from which they have suffered. Those who stimulate political passions, and certainly those who indulge in the violence, are a minority. In this sense, the initiative and the future lie not with the government in Paris but in the hands of time: as the months, perhaps years, go by, the Corsicans will make clearer whether they are no less French than those equally impoverished people in departments such as the Lozère, or than the population of Lorraine or the Dauphiné. Time may help to make their constitutional conception of France more certain.

Basque autonomy: will it be enough?

GEORGE HILLS

THE more difficult General Franco made it for the Basques to pursue the *Euzko* way of life, the more they clung to it. His attempt not only to emulate the eighteenth and nineteenth century rulers of Spain in the concentration of all political power on a central organization, but also to homogenize the peoples of Spain in thought, word and deed, intensified the national consciousness of the Basques. There were more *Euzkaldunak* and *Euzkaltzalek*—speakers and lovers of the Basque language —when, after 30 years, he was forced to relax his prohibition of it, than at any time these last two centuries. But that was not all. The severity of the repressive measures taken against the workers in the Basque provinces, native and immigrant alike, from 1947, when their strike disproved his belief that with vertical syndication industrial harmony was certain, onwards to his death, convinced thousands of them that the Basque Nationalists were right: *ex Matrito nil nisi malum*—all evil comes from the capital of Maketania, the land of evil, the word used for Spain by Sabino Arana, the founder of the Basque Nationalist Party 90 years ago—and from the wealthy 'maketophils', traitors to their nation. In the face of a common enemy, nationals and immigrants came into contact with each other. By the time of Franco's death the Basque traditional desire to be left alone and in peace, and to fight for that peace, had rubbed off on the immigrants.

There is now an autonomous community within the Spanish state which bears the name Euzkadi in Basque and País Vasco in Spanish. Its legality resides, firstly, in Article 2 of the Spanish Constitution of 1978. This, while insisting on the 'indissoluble unity of the Spanish nation', yet 'recognizes and guarantees the right to autonomy of the nationalities and regions which comprise it'.[1] Secondly, it resides in the Statute of Basque Autonomy, approved by the Spanish Cortes in Madrid last September, and in a referendum last October by a majority of the Spanish nationals over 18 technically resident in the three Basque provinces of Araba (Alava), Bizkaia (Vizcaya) and Gipuzkoa (Guipuzcoa).[2]

People in Madrid and elsewhere in Spain are now referring to Euzkadi—a forbidden word under the Franco regime. But they should, strictly speaking, refer always to the Autonomous Community of Euzkadi, for *Euzko* means Basque and the suffix '*di*'—'overall'. *Euzkalherria*, the Basque people, are spread not only over the three Spanish provinces mentioned above, but also over Naparra (Navarra) in Spain and a large portion of the French Department of *Pyrénées Atlantiques*, lands which the Basques call their provinces of Zubarroa, Benaparra and Lapurdi. Not all *Euzkalherria* therefore enjoy autonomy, and the Autonomous Community of

[1] See George Hills, 'The new Spanish Constitution', *The World Today*, January 1979.
[2] For background, see Robert Harvey, 'Spain's democracy: a remarkable first year', *ibid.*, March 1980.

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Euzkadi is not Euzkadi. On the other hand, those whom the Statute defines as Basques and citizens of the Autonomous Community are not all persons whom the coiner of the word Euzkadi in the 1890s, the same Sabino Arana, would have considered Basque. Arana deemed no one a true Basque unless his or her four grandparents had borne Basque surnames; the Statute awards the title of Basque and citizenship of its Community to any Spanish national officially resident within its territorial boundaries, and also to any Spanish national resident abroad whose last place of residence in Spain was within those boundaries, and who has expressed a wish to be considered Basque.

The Statute and its limitations

Textually, the Spanish Constitution offers the 'nationalities and regions' of Spain greater self-government than did that of the Spanish Republic, and the Statute goes further in devolution than the one grudgingly granted those three provinces after the Civil War had started, with Araba already lost and Gipuzkoa under attack by the forces of Generals Mola and Franco. The Statute grants the new Basque Autonomous Community the power through its Parliament and Government to decide for itself matters relating to a wide variety of political, social and economic affairs. The list is very long, including forestry, agriculture and fisheries, the exploitation of natural resources, town and country planning, commerce, finance and industry, consumer protection, public transport and communication, education, scientific research, social welfare, tourism, sport and gambling etc., but only in so far as these matters affect the Community itself, and always provided that the decisions are not to the prejudice of the Spanish state's 'exclusive right' to decide on such matters for the whole state of which Euzkadi is a part, and that they are not contrary to the Constitution.

Similarly, the Community is to have a say in the administration of justice within its territory. It is to be responsible for the enforcement of central legislation in a wide variety of fields: labour regulations, the conduct of prisons, education and public administration in general. It will have the power to levy the revenue to meet its needs. Furthermore, the historic rights or liberties of the individual provinces within the community are to be updated and restored fully—including the controversial traditional right of Gipuzkoa and Biskaia to the *concierto económico*, the power to negotiate with Madrid a separate tax settlement, instead of having Madrid levy taxes direct. And the new Community, while an entity, will have within it a federal structure, in keeping with Basque traditions of provincial and parish councils.

The Government is to be praised for realizing that concessions to the 'nationalities and regions' were necessary if the passage from authoritarianism to parliamentary democracy was to be and continue relatively peaceful. It took them time—four years from Franco's death— but they got there in the end. The question, however, must still be asked whether they, and also the Socialist opposition, are fully aware of how very different the situation looks when seen in Bilbo, Donostia or Gasteiz (Bilbao, San Sebastian or Vitoria) from when seen in Madrid.

There is a marked difference between the text of the original draft Statute which

the Basque leaders submitted to Madrid at the end of 1978—the so-called Statute of Gernika (Guernica)—and the text which the Spanish Government submitted to a referendum in October 1979, after the Cortes had amended and approved it. In the final version of the Statute there are many more references to the Constitution than in the draft. One can argue that few, if any, of them alter the draft Statute of Gernika substantially. Nevertheless, however justified they may have been on grounds of political expediency (to dampen the fears of that sector of Spanish politicians who equate decentralization with dissolution of the state), they tend to befog rather than clarify the limits of the Community's autonomy, and have led the distrustful Basques to wonder whether the document is a genuine instrument of self-government or of the continuation of what the Basques call 'colonialism'. The history of relations between the Basques and central governments over the last 150 years warrants their adaptation of the Latin tag: '*timeo Hispanos et dona ferentes*'.

The opening of Article 16 of the Statute, for example, promises that 'in fulfilment of the First Supplementary Provision of the Constitution, the Autonomous Community will have competence in the whole field of education at all levels, of all types, general and specialized. . .' The First Supplementary Provision of the Constitution reads: 'The Constitution protects and respects the historic rights of the *territorios forales*', that is, the four Basque provinces. But Article 16 of the Statute then qualifies this competence in the whole field of education. It is to be 'without prejudice to Article 27 of the Constitution and the '*Leyes Orgánicas que los desarrollan*'. Although Article 27 is a splendidly liberal and democratic declaration of intent, the Organic Laws on education so far enacted impose forms and regulations which are not necessarily the most suitable for Euzkadi. They rule out the possibility of real variants such as exist between the educational systems of England and Scotland. Even if they were the most suitable, the Basques would have welcomed an opportunity to discuss them and alternatives among themselves.

On 18 January this year, the Basque Nationalist Party's 15 members of the Spanish Cortes (seven Congressmen and eight Senators) walked out of the Assembly. In explanation, the party listed a series of government Bills which as drafted would, in effect, severely limit and even nullify the legislative role of the autonomous Parliament, and turn the Basque government into mere local agents of enforcement of central legislation. Those Bills, they claimed, put in doubt the good faith of the Madrid government. They have stayed away from the Cortes ever since.

Basque election implications

The elections for the Euzkadi Parliament under the Statute took place on 9 March 1980. Eight of the 17 parties presenting candidates obtained percentages of some consequence. These eight had also taken part in the elections of 1 March 1979 for the Spanish Cortes. The turnout was low—59·7 per cent; 96,000 fewer votes were cast than in 1979, yet the champions of the Statute, the Basque Nationalist Party, obtained 75,000 more, so that their share of the total rose from 27 to 38 per cent. Euzkadiko Ezquerra, the Basque Left, also supporters (if half-hearted)

of the Statute, received 10,000 more, and their share rose from 7·9 to 9·8 per cent. Herri Batasuna, a coalition of radical groups, the most important having a relationship with the more active branch of ETA, ETA-militar, similar to that of Sinn Fein to the IRA, campaigned as in 1979 with the slogan 'Independence and Socialism'. In 1979 they obtained 150,000 votes; this time 152,000, 2 per cent more.

The heavy losers were the major Spanish parties: UCD received 90,000 less votes, its share of the total dropping from 16·8 to 8·5 per cent; and the Socialist Party polled 60,000 less votes, its percentage falling from 18·7 to 14·1. The Communist Party of Euzkadi, still considered by the Basques as merely a local branch of the Communist Party of Spain, and the Communist Movement, originally a breakaway from ETA, but now interested in the establishment of Marxism-Leninism throughout Spain, rather than in Euzkadi alone, also lost votes. The one Spanish party to gain votes was the right-wing Alianza Popular (AP), the impassioned upholders of centralism when the Constitution and the Statute were under discussion. They received 9,700 more votes this time than last, raising their share of the poll to 4·8 per cent. However, AP's 4·8 per cent was a near match of the 'no' vote in the referendum on the Statute: it merely showed that the number of residents in Euzkadi opposed to the Community had not changed in the last six months. On the other hand, the heavy losses of the 'Spanish' parties and the significant gains of the Basque parties were sure evidence of serious Basque dissatisfaction with Madrid's behaviour over the year.

Nearly six months after the election, the Government has shown neither greater sensitivity to Basque demands for legislative autonomy nor a new sense of urgency in the process of devolving on the Community the promised administrative functions. A major factor in the explosive support for Herri Batasuna in March 1979 had been the behaviour of the Spanish Forces of Public Order (FOP) in the Basque provinces during the three years after Franco's death, and the attitude of successive governments towards complaints against their behaviour. It was again a major factor in the elections last March. Though no police platoon may have careered recently through the streets of a Basque town smashing shops and belabouring civilians, there had been constant harassment.

We refer in Britain to the Spanish Civil Guard and the new National Police as 'paramilitary'. The stress must be on *military*. These bodies are, in fact, part of the armed forces of the realm. Their training is military; their tactics in dispersing demonstrations are of a military force attacking an enemy. The 'enemy', members of these forces have been heard to say, are '*Los Vascos*', not just ETA. Unlike the IRA, ETA has not used the cover of civilians in order to fire on armed forces, which makes questionable the carrying of sub-machine guns and other fire-arms when in pursuit of a few stone-throwing youngsters in, for example, the Casco Viejo of San Sebastian. The Government will have to face up to the fact, however unpleasant it may be, that the FOP are looked upon by a considerable percentage of the Basque population as an occupying military force, and hated as such, and that where a few hundred people have been victims of ETA violence through recent years, several thousands have felt the full force of truncheons, rubber bullets and smoke canisters.

The Minister of the Interior recently announced new plans to combat ETA. More units of the FOP are to be sent into Euzkadi; they are to be better equipped and their information services are to be improved. The connexions between political organizations and ETA are to be investigated. Heavier sentences are to be imposed on 'those responsible for terrorist activity', and there is to be 'resolute action' against all extortion. The visible presence of a greater number of armed police will make easier the assassination of the unwary man on duty. It will also increase popular anger against the 'military forces of occupation'. 'Better equipped' is a vague term; certainly the sub-machine guns with which so many on guard duty outside public buildings are equipped have caused the death of more innocent civilians some distance away than of raiders. There is much *prima facie* evidence that the police have relied in the past on methods of acquiring information, which, to say the least, are contrary to human dignity, and so alienated the public which might otherwise have volunteered information. It is surprising to hear that the connexions between certain political organizations and ETA are not already well known. Sentences for terrorist activities are already heavy by West European standards, and forty-year sentences do not deter more than twenty-year ones.

The leader of the Socialist Party, Felipe González, has proposed a different approach: restatement of the functions and duties of the FOP to make them the true servants of democratic institutions and of the private citizen; a complete overhaul of their training; the subjection of those forces to the Law, and the severe punishment of any policeman who transgresses against it. The Basques would respond more willingly to such new model police forces.

The Statute, however, promised something which would be even more to their liking: the formation of a Basque police force, and control by the Community of the Spanish police forces within its territories. A Basque police force, properly trained to protect the citizens, could have the public support which the FOP lack. It would have the confidence of the victims of ETA extortion and violence. It could count on demonstrators to behave peacefully, and on public opinion to stop children and youths throwing stones. The withdrawal of the FOP from the streets and by-ways of Euzkadi would deprive Herri Batasuna of its hitherto most persuasive argument for independence.

However, it will still be necessary for the Spanish Government to leave the Autonomous Community with a wide field for its own legislative action and administrative adaptation of Madrid decisions to local conditions. If it does not do so, and quickly, then the demand for independence in the Basque lands (and in other parts of Spain) will grow inexorably. Time is not on the side of Madrid. The Spanish Prime Minister has had to look over his shoulder at those politicians and military who would like to restore, by one means or another, the rigid hypercentralism of the last regime, and who will still not face up to the reality that a country can be One, Great and Free, and yet multinational and federal in structure. Their attention should, perhaps, be directed to Switzerland or West Germany, or to Spain's own past. It was when the Basques, Catalans and others enjoyed even greater freedom than that promised by the 1978 Constitution that they were most loyal to Spain, and that Spain had its Golden Century.

Demographic change in Europe

JULIAN CRANDALL HOLLICK

In 1900, the Western world represented 31 per cent of the total world population, a figure maintained until 1950. By the year 2000, it will account for only 10 per cent of the world's inhabitants.

AFTER decades of constant warnings about the dangers of population explosion, European voices are now beginning to sound a timid alarm about the continent's declining birth rates.[1] A professor at the Paris Sorbonne, Pierre Chaunu, has gone so far as to talk of a 'European cancer' and 'a refusal of life itself', while the veteran French demographer, Alfred Sauvy, recently warned that Europe was signing its own death warrant and surrendering the initiative in world politics to younger, more dynamic, civilizations.[2]

Throughout history there has been little experience of populations remaining stationary or contracting through a sustained and voluntary fall in the birth rate without some form of significant and adverse consequence. In Western Europe, public opinion and most politicians remain almost totally unaware of the nature and extent of this problem, their attentions diverted by unemployment, urban overcrowding and the evidence that population totals are still increasing. Many demographic experts, however, are beginning to come to grips with the complexity of the probable causes and their consequences. In Eastern Europe, on the other hand, the issue is already on the political agenda and governments have reacted to what they consider to be a serious economic and social long-term constraint on development.

The problem

Europe's population increase is now very much a thing of the past. In 1900, the Western world represented 31 per cent of the total world population, a figure that was maintained until 1950. By the year 2000, however, it will account for only 10 per cent of global population. For the first time in recorded history, the population of the Southern Mediterranean will be greater than that of Western Europe, a prospect whose political implications worry many in France.[3]

[1] The Council of Europe, *Population Decline in Europe: Implications of a declining or stationary population* (London: Edward Arnold, 1978); Alain Gourdon, 'L'Europe depeuplée: des risques d'une euthanasie collective', *Commentaire* (Paris), no. 5, Spring 1979.

[2] Alfred Sauvy, 'Les conséquences du vieillissement de la population', and Pierre Chaunu, 'Un phénomène sans précédent dans l'histoire', in Gerard Dumont, ed., *La France Ridée* (Paris: Gallimard, 1979).

[3] Interview with Michel Debré in the London quarterly of the International Planned Parenthood Federation, *People*, January 1980, pp. 10–12.

The author is completing a doctorate at the London School of Economics on Anti-Americanism in Contemporary France. The material for this article is based on interviews which he conducted in France in September 1979 for the International Planned Parenthood Federation (London), whom he would like to thank for their help and advice.

It is paradoxical that the centre of the present debate in Western Europe should be taking place in France, as more babies were born there in 1978 than in any other European country, and the population is still increasing by some 175,000 a year and will continue to grow until the next century. Yet the birth rate is a national preoccupation.[4] Warnings of imminent national decadence because of a declining population surfaced in the speeches of MM. Chirac, Debré and Marchais during the campaign for elections to the European Parliament last spring, and the issue has now been taken up officially by all the political parties. Even the phlegmatic President Giscard d'Estaing could not disguise a note of anxiety when he observed that France would represent a mere 1 per cent of world population in the year 2000.[5]

The French birth rate (1·83 children per woman) is among the highest in the industrialized world. A stable population, or Zero Population Growth (ZPG), however, requires a birth rate of 2·1 children per woman to ensure its own replacement. If the present rate is maintained, France's population would reach its peak in 2000 (56 million), decline slowly (54 millions in 2025) and then decelerate by mid-century (48 millions). However distant and hypothetical, many Frenchmen feel threatened by the prospect. Recent polls show that this anxiety is not limited to patriotic politicians and philosophers. After many years in favour of a stable population, opinion reversed itself in 1976, and two years later, a clear majority (59 per cent) emerged for the first time in favour of a larger population and government intervention to slow the fall in the birth rate.[6]

Concern with a stagnant or declining population has unusually deep roots in the national psyche.[7] Unlike its immediate neighbours, France experienced minimal population growth between 1800 and 1940. It is the only European country where the current number of births is lower (by 30 per cent) than it was 200 years ago. Beginning in the late eighteenth century, the French were the first nation in the world to practice a form of voluntary contraception, England following a good fifty years later and Germany only at the end of the nineteenth century. Population growth, such as there was, resulted from immigration (from Italy, Poland and Spain), and from greater life expectancy.

In the 1930s, France was the only European country whose population actually fell. Many demographers, including Sauvy, place the blame for France's collapse in 1940 on this decline, arguing that it left the country unwilling to face up to the modern world, and too weary to withstand the German threat. Dr Gerard Calot, Director of the French National Demographic Institute (INED), calls this a 'black period' in French history.

> The result was an old country. The heads of business were old, the generals were old, the leading politicians and civil servants were old—France was run

[4] See 'Population: la panique du vide', *Le Nouvel Observateur*, 16 February 1976, and articles in *Le Monde*, 6 March and 2 August 1979.

[5] *Paris-Match*, 14 September 1979.

[6] A. Girard and L. Roussel, 'Fécondité et conjoncture', *Population* (quarterly published by the *Institut d'Etudes Démographiques*, Paris), No. 3, 1979.

[7] See Colin Dyer, *Population and Society in Twentieth Century France* (London: Hodder and Stoughton, 1978).

> by old men. There were no real achievements between the wars. It was a black time for France, and I think it was due to this demographic debility, this lack of youth, not just as a source of labour, but as a source of ideas, of leadership for society.[8]

Recent French demographic history is also significant in this debate. Between 1950 and 1975, the population increased by almost 11 millions, nearly as much in twenty-five years as in the preceding 150. While 7 millions were due to immigration and greater life expectancy, over 4 millions were attributable to a higher birth rate, stimulated by hope in the future, economic prosperity and an initially generous government policy of family allowances to increase total purchasing power.

Statistically, the situation is worse in much of the rest of Europe. In the Western half, only Spain, Portugal, Greece, Iceland and Ireland are still enjoying birth rates above replacement level. In Holland, for example, the birth rate has been halved in fifteen years, from 3·2 to 1·6 children per woman. In Britain it has fallen to 1·7, in Switzerland to 1·5, in West Germany to 1·4 and in Luxembourg to 1·2 which logically could result in the eventual disappearance of native Luxembourgers. In Eastern Europe, it is the same story: Hungary, Yugoslavia, Bulgaria and Poland are all either below or near replacement level, while the East German birth rate has fallen to the same level as in the Federal Republic. Only Romania is still experiencing a high fertility rate, but this, too, is beginning to decline.[9]

In West Germany, for example, provided that the present birth rate falls no further, a population of 58 millions will have shrunk to 39·4 millions in 2030.[10] The extent of this decline will be masked until 2000 by the natural forward momentum of the post-war baby-boom. Within these fifty years, the respective proportions of young and elderly will be almost exactly reversed, while that of the active population will stay the same, of great importance in the debate over the future financing of the Social Security system.

The causes

For reasons not wholly understood, even by demographers, millions of women and couples, in nearly every European country, whatever its political, economic or ideological system, suddenly decided at about the same time—1964/65—to have fewer children. Their decision was to have the number of children that they really wanted, and no more. In other words, the abrupt decline in the birth rate occurred not because couples decided to have no children at all, for in many countries there

[8] Interviewed in *People*, January 1980.

[9] See Alain Monnier, 'La conjoncture démographique—l'Europe et les pays developpés d'outre-mer', *Population*, nos. 4–5, 1979, pp. 883–906. Provisional figures for 1978 suggest a slight stabilization of the general fall in fertility rates, with the exceptions of West Germany, Finland, Austria, Sweden, Switzerland, Hungary and Yugoslavia, where the decline continues. In Britain and Luxembourg, there has occurred a slight increase, while the East German rate has improved from 1·54 in 1975 to 1·89 in 1978.

[10] Karl Schwarz, 'La baisse de la natalité en Allemagne Federale', *Population*, nos. 4–5, 1978, pp. 999–1017; Gerard Calot, 'Données comparées sur l'évolution de la fecondité selon le rang de naissance en Allemagne Fedérale et en France', *Population* special number, Winter 1979, pp. 1291–1348.

have never been fewer childless couples, but because of a series of factors which suddenly reduced the need or the desire to have large families.

At first sight, contraception and abortion might appear obvious causes, removing the spectre of the unwanted pregnancy, the unfortunate backbone of the large family. Much of the statistical evidence, however, suggests that contraception and its availability are less a cause than a symptom and a condition for something altogether more complex and intangible. In France, for example, contraception and abortion were declared illegal in 1920, to be followed by a generation of catastrophic decline in the birth rate. Since 1975 abortion has been legal, and the previous decline has levelled off. In Romania, the government declared abortion illegal in 1965; after a sudden spectacular increase in the birth rate, it has resumed its downward path, in rhythm with its neighbours. In West Germany, finally, abortion has only been legal since 1976.

The real causes lie elsewhere. First, the introduction of the Welfare State and generalized prosperity have meant that the former need for children as a means of providing economic security for the parents' old age has almost completely vanished. Most of the other traditional societal pressures in favour of procreation have all but disappeared. Second, the status of women has been radically transformed through the modern emphasis on greater human freedom and equality between the sexes. Women have massively entered the work force outside the home, their second salary rapidly becoming indispensable. In Denmark, for example, over three-quarters of all adult women are in the work force; in Austria and Hungary, the figure is two-thirds; in East Germany over four-fifths. Thus, the whole system which traditionally worked in favour of fertility has collapsed: decisions on child-bearing have become a private matter for parents, their emotional needs and sense of responsibilities of foremost consideration. Fourth, the move from the land to the city, with its cramped apartments, inimical to large families and raising children, has further reduced the possibility for large families. In these conditions, far from being a cause, contraception has merely followed earlier social trends, governments introducing legislation in response to public opinion.

The major cause, however, probably lies in the transformation of an agrarian society of survival and scarcity into the acquisitive materialism and abundance of the consumer society. Michel Debré, the former French Prime Minister and advocate of large families, attributes much of the decline in the birth rate to the attractions of the consumer society. The child, he fears, is too often perceived as a financial burden. Gérard Dumont, founder of a 'Movement for Demographic Renewal' and editor of *La France Ridée*, a collection of essays by uncompromising pro-natalists, worries that, faced with the choice between buying a new car and supporting another child, many will prefer the former, with little sense of guilt.

In certain countries, special factors may be partly responsible. In West Germany, for example, the 1977 divorce law places a heavy financial burden on either marital partner to support the other with his or her pension if the partner is unable to provide self-support in their old age. Not surprisingly, this threat seems to be driving many couples outside legal marriage. Some demographers wonder whether

extra-marital cohabitation, in Germany and elsewhere, may not become so widespread that it leads, not merely to the decision to postpone children, but to their eventual abandonment.

Real and imaginary consequences

The question remains: should one worry about a declining or smaller population?

Pro-natalists in France fear that a stagnant or declining population will merely accelerate economic decline by reducing overall demand. Alfred Sauvy argues that a contracting and ageing population will actually lead to a general decline in the standard of living, a fear shared by Debré.[11] Both men foresee the imminent bankruptcy of the Social Security system, already in severe financial deficit. Their fears appear misplaced: the Social Security system may well be in danger of collapse, but not because of a declining birth rate; nor will the proportion of the active population in France fall for the foreseeable future, if then. Hervé LeBras, editor of *Population*, castigates 'population prophets . . . who encourage procreation for economic reasons and claim that young people are needed to feed the elderly. This argument is fallacious. On the one hand, the demographic decline of Europe can take place without ageing (if the proportion of the working population remains unaltered), and, in any case, ageing will hardly have any influence on the economic life of the nation'.[12]

Sauvy is particularly scathing on the proponents of smaller population as a cure for unemployment, inflation and the depletion of the earth's resources. He argues that unemployment is largely structural, its resolution dependent upon political choices and will, education and technical innovation, rather than on a reduction in mere numbers. Nor do less people mean any diminution of pressures on natural resources such as oil. Political choice, product substitution, levels of economic activity and conservation would have far greater impact than a smaller population with a profligate life-style.

Another apprehension, shared by Debré, Sauvy and Dr Calot, is that an ageing society may be increasingly conservative and immobile, fearful of risk-taking, innovation and creativity, and intolerant of radical experiment, the very qualities which may be vital to cope with the problems of contraction and re-adaptation. Dr Hermann Schubnell of the University of Mainz disagrees. He notes that the percentage of the active population will not decline, although he does admit that a doubling of the proportion of the elderly will throw some additional strain on health services. Schubnell foresees improvements in productivity and changes in the retirement age averting potential crises in the Pensions system. A shrinking domestic market and economic decline can be averted if industries are prepared to redirect their efforts away from the youth market to provision for the elderly. 'Demands change', Schubnell concludes, 'but demand itself remains infinite.'[13]

[11] 'La France va craquer', *Le Monde*, 28 March 1979.

[12] 'L'avenir de la population mondiale', *La Recherche* (Paris), no. 103, September 1979, pp. 844–53.

[13] 'A slow shrinkage', *People*, January 1980, pp. 14–15.

He sees demographic change as being less important than technological innovation, a shorter working week and the development of new markets in the Third World, where population, of course, is not declining.

Varied government reactions

In West Germany, the government admits that the present birth rate is too low. They will not set official targets, however, in part because they are haunted by memories of the racist population policies of the Third Reich, and in part because they doubt the value of such projections. There is no active pro-natalist lobby, nor does the issue seem likely to be one that will play any part in the forthcoming elections. The public, while favouring a slow shrinkage as an apparent antidote to urban overcrowding, are not eager to experience rapid change in either direction. Government policy, therefore, will merely be to support those couples who want to have more children, without any active policy of encouragement.

Polls in Scandinavian countries show a desired optimum family size of two to three children, but there has been little public debate in favour of official encouragement of an increase in the birth rate. Observers attribute this to greater concern with environmental issues, feelings of global solidarity with the Third World on the wider question of global population explosion, and the lack of any tradition of demographic debate. The exception is Sweden, where the low birth rate was debated extensively in Parliament and the press in March 1978, specifically over the issue as to whether Swedish society had developed in such a manner as to be hostile to raising families, because too highly organized.

In Eastern Europe, governments have reacted with more concrete measures. In Hungary, falling birth rates caused the government to tighten the 1956 abortion law in October 1973. In 1969 abortions outnumbered live births. Maternity leave and grants were extended, some assistance was provided for larger housing, families were encouraged to have more children to correct the imbalances in the population pyramid and to 'realize the socialist ideal of the family'. The immediate results of the measures were striking; the birth rate rose and abortions decreased by 40 per cent; since then, however, the former has resumed its decline. Similar remedies have been tried in Czechoslovakia and Poland, and with little appreciable difference.

The most decisive series of measures in Eastern Europe, however, was taken by the East German government in 1975. Unlike their neighbours, the East Germans retained the liberal character of their abortion legislation, but introduced inducements that went far beyond what other countries had considered or could afford. Mothers were granted twelve months' maternity leave at full pay and a guaranteed return to their former work; at the birth of the second and subsequent children, parents were paid a lump-sum payment equivalent to six months' salary; the mother was offered flexible or part-time working hours, and the family larger housing at reduced rents. The desired result was duly achieved, the birth rate rose by 25 per cent, although still below replacement levels. But as yet it may be too soon to know whether the results will be temporary or permanent.

In France, politicians from all the parties have been pushing for similar policies.

A determined minority, including Debré and the Catholic hierarchy, would have liked to have seen the 1975 Abortion law repealed when it came before the National Assembly in November 1979 for confirmation and amendment. Debré and Chaunu specifically link the decline in the birth rate to the availability of contraception and abortion. However, the measure was made permanent without substantial modification.

Debré is in wider company when he asserts that 'the first type of investment that any nation should make is in those who will guarantee its very survival'.[14] He dismissed mere tinkering with family allowances because they had fallen far below their original purchasing power. In their place he proposed that the mother of three children should be paid a state salary and a guaranteed pension,[15] so that women have a genuine choice between raising families and outside work. Dr Calot agrees that any solution must be concentrated on the all-important third child,[16] but warns that such an effort will be very expensive, must be sustained over a generation and will, at best, only increase the birth rate by a small amount, although just sufficient in France's case to ensure replacement levels. French feminists reject such talk as proof that men have learnt nothing and still imagine that they can legislate for women to breed like 'rabbits' for the 'honour' of France.[17]

The French government was, therefore, under some pressure to do something spectacular in this field. At the end of November 1979 they announced a series of measures which, while less ambitious than those put into effect in East Germany, are along the same lines and aim at encouraging the birth of the third child. Couples will receive an outright cash gift of 10,000 Francs ($2,500) on the birth of their third child; family allowances will be doubled to a minimum of 1,000 Francs a month ($250) for a family of three children, and indexed to stay just ahead of inflation; maternity leave will be extended from four to six months; the government will offer a pension to the mothers of three or more children to cover the years spent raising their families; and they will be aided through subsidies to move to larger housing.[18]

Critics of these measures argued that they were merely piecemeal improvements, that the necessary finance would be unavailable until 1981, a Presidential election year, and that what was really needed was a 'comprehensive' family policy that would give the mother an official legal status and a guaranteed salary. In the present economic situation, the government dismissed such criticisms as gratuitous and irresponsible.

Madame Pelletier, Secretary of State for Women's Affairs and the Family, disagreed that France was underpopulated or likely to become so in the foreseeable future, unless the French reverted to the Malthusian habits of the nineteenth century. In a liberal society, she argued, governments should not set official

[14] *People* interview, January 1980, p. 11.
[15] M. Debré, 'Avoir vingt ans dans vingt ans', *Le Monde*, 2–3 December 1979.
[16] J-M. Dupont, 'Tout se joue sur le troisième enfant', *Le Monde*, 20 November 1979.
[17] Interview with Maître Gisèle Halimi, *People*, January 1980; and some of the contributions to Gisèle Halimi, ed., *Choisir de Donner la Vie* (Paris: Gallimard 1979).
[18] *Le Monde*, 24 November 1979.

population targets or encourage a higher birth rate. They should instead create the necessary financial and social framework so that couples could have more children *if they desired.*[19]

It is highly probable that the birth rate will continue its downward trend in most of Europe for several years to come, but the ultimate response of public opinion and governments is still hard to predict. Will the latter's attitudes be exclusively absorbed by more traditional economic and social problems, or will they also acknowledge the population issue? Now that Western nations have lost their illusions about the ability of 'guestworkers' to solve some of their pressing economic problems, they may become increasingly aware of the issue of population. In Eastern Europe, concern is likely to continue to be more immediate because women form such a large proportion of the labour force. In the West, France is likely to remain the focus for much of the debate, simply because the issue is a traditionally sensitive barometer of national self-confidence. Taken together, it seems probable that Europe will see an increasing interest in population policy-making in the course of the next decade.

[19] Letter to the author in response to written questions, dated Paris, 27 September 1979.

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Notes of the month

AMERICA'S PRESIDENTIAL RACE

DURING the past half-century the Republicans have been able to put only two of their men in the White House. One was Dwight Eisenhower, a national hero who swept the board. The other was Richard Nixon, who narrowly beat Hubert Humphrey at a time when the Democrats were torn apart by Vietnam. This year the minority party stands a fair chance of scoring a third victory. As the campaign got under way, Mr Ronald Reagan and President Carter were neck and neck in the opinion polls. And under a system in which each state casts a unit 'electoral' vote, weighted by population, the political arithmetic does not seem to favour the Democrats.

This is a year in which neither candidate arouses widespread enthusiasm, though Mr Reagan has a core of fervent supporters, something the President lacks. Mr Carter is seen as inconsistent, inept and, perhaps even worse, unlucky. And who wants unlucky presidents any more than unlucky generals? As for Mr Reagan, who will be 70 next year, and whose nostalgia for the past is evident, Americans wonder whether he would have the physical energy, the application and the intellectual flexibility and depth to cope with the presidency. He is unlikely to find the Russians, or Congress, any more accommodating than Mr Carter has.

This 'neither of the above' mood will lead to some Americans not voting at all. It will lead to others voting for the third candidate whom that mood has called forth, Congressman John Anderson, a moderate, common-sense Republican who makes a virtue of plain talk and of calls for sacrifice. By mid-September, when the campaign started, the Anderson campaign, which had been starved for money, began to look more healthy. The Federal Election Commission ruled that if he won at least 5 per cent of the votes in November, he would be entitled to a subsidy from public funds. This made it possible for him to borrow to pay his campaign expenses, particularly the heavy costs of television. Then the League of Women Voters, which has staged debates in some past elections, decided that he had sufficient support, around 15 per cent in the polls, to be included in the debates between the President and Mr Reagan. Without this recognition and the publicity that goes with it, Mr Anderson would have had a hard time convincing the public that he was a serious contender. To cap a happy week, the Liberal party in New York adopted him as its presidential candidate.

All this good news for Mr Anderson was bad news for the Democrats. They have long recognized that if he stayed in the race he would draw more votes from Mr Carter than from Mr Reagan. Polls in a number of states bear this out (though at the last minute Democrats tempted to stray may draw back for fear of electing Mr Reagan). Mr Anderson does not seem likely to carry any state. If he were to, his electoral votes might be enough to deny either major candidate the 270 electoral votes required to elect a president. This would throw the election into the new House of Representatives, with results that are impossible to foretell. What the

Democrats fear more is that he may tilt one or two states into the Republican cam The loss of New York, for example, with its 41 electoral votes, second only to tho of California, might be a mortal blow to the Democrats.

It is possible to win without New York. Truman did it. But Truman had virtual the whole of the West, much of the South and of the Mid-west. Mr Reagan star with the West under his belt. Mr Richard Nixon, no mean political analyst, sa that Mr Reagan will be in if, in addition, he can carry the 'rim' states like Floric and Virginia, plus one or two other small ones and at least one of the five big stat in the East and Mid-west: New York, Pennsylvania, Ohio, Illinois or Michiga In 1976 Mr Carter carried New York, Ohio and Pennsylvania, the last two by ve narrow margins; he lost Illinois and Michigan.

President Carter has set great store on meeting Mr Reagan in a two-man debat the President is convinced that, with his greater knowledge of foreign affairs an greater experience of government, he could show up Mr Reagan as glib an uninformed. That is one reason why he refused to take part in the opening deba that included Mr Anderson. Another reason, about which the Democratic can paign managers make no secret, is that they are determined not to give Mr Ande son the benefit of appearing with the major candidates.

This may seem mean-minded; it is certain to do the President some damage. Bu the Democrats cannot afford to be generous. Mr Carter has not been able t reinvigorate the great coalition of interests that, since the time of Roosevelt, ha made the Democrats the majority party. The farmers are full of grumbles; th blacks, complaining that the President has not kept his promises to improve thei lot, may stay away from the polls; the South, which nowadays is quite happy t vote Republican in presidential elections, is disaffected because Mr Carter ha failed to maintain America's strength and prestige abroad. It feels that he ha been weak in Iran and feeble in his dealings with the Russians. The Jews, a smal but influential minority, doubt his commitment to Israel.

Officially, the trade union federation is backing Mr Carter. But it cannot delive the votes of trade union members; some of the so-called 'hard-hats' have bee attracted by Governor Wallace in the past. This year working people are blamin Mr Carter for unemployment and for the inflation that has pushed real income down for those who still have jobs. The industrial states that Mr Carter needs to win are vulnerable to Mr Reagan's promises of prosperity through large tax cuts

In addition, there is a philosophic split inside the Democratic party, wit Senator Edward Kennedy leading the liberal element that is more concerned wit unemployment and poverty than with inflation and the fiscal and monetar austerities the Administration is using to control it. Few of these Kennedy sup porters will work enthusiastically for Mr Carter. Some will vote for Mr Anderso in November; others may not vote at all.

Yet nothing is truly in the bag until 4 November. If Mr Muskie, the Secretary o State, can persuade the Iranians to return the American hostages without exactin too great a sacrifice of American pride, the President's prospects would lool brighter. An incumbent president can also arrange events to his own advantage the talks that the Israelis and the Egyptians have promised to resume, though onl

after the election, are an example, for they enable Mr Carter to go on pointing to the Camp David agreements as a great feat of peace-making.

Mostly, however, the Georgians in the White House are relying on Mr Reagan to trip himself up. By the end of the first week of the campaign they were gleefully joking: 'The only way Carter can lose the election is if Reagan catches laryngitis.'

As a right-wing candidate of a right-wing minority party, Mr Reagan needs to make a special effort to conciliate voters who do not share his views and to make it clear that he would be a president for all the people. In his speech accepting the Republican nomination at Detroit, he did this with great skill and warmth. But on the stump, and particularly in impromptu remarks, he dropped brick after brick: on Taiwan, on the 'nobility' of the Vietnam war, on Darwinism. Such remarks, which have always sent right-wing audiences into raptures, made him seem old-fashioned and ill-informed to a national audience. For a candidate who means to picture Mr Carter as inept, it was a bad start. But his debate with Mr Anderson showed that he could learn.

Mr Reagan's advisers are now seeing to it that a political expert is always at his side; he is admonished to stick strictly to his text; and he is being isolated from the press. These steps may avoid future blunders. But the thought of a president who cannot be trusted to meet the press on his own will strike many voters as bizarre.

MARGARET CRUIKSHANK*

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NUCLEAR NON-PROLIFERATION: DEADLOCK AT GENEVA

THE second Review Conference on the Nuclear Non-Proliferation Treaty (NPT) took place in Geneva at the end of August and the beginning of September. It was the fourth conference which has been held to review the operation of the post-1945 arms control treaties and the first not to reach agreement on a Final Document reviewing the operation of any of the treaties and setting out the parties' support for their provisions. Moreover, the achievement of such a consensus has been taken as the measure of the success or failure of the review conferences, and the inability of the second NPT Review Conference to reach agreement reflects the fundamental differences between the Third World and the developed countries over the interlocking problems of nuclear proliferation and nuclear disarmament.

As the three depositary powers—the United States, the Soviet Union and Britain—had hoped, the 1980 Conference was well attended, 75 parties sending delegations and several non-parties sending observers. But from the beginning the preparations for the Conference did not go as the Western countries had hoped. They expended a good deal of energy fruitlessly attempting to prevent the election of an Iraqi chairman. Their efforts were doubly wasted because, whatever the attitude of his government towards the NPT and towards the West, M. Kittani proved to be an able chairman and a moderating influence.

Once discussions of substantive issues began, the West was bitterly attacked by the Third World countries over what they claimed was Western nuclear collusion with Israel and South Africa. Since this had not been a major issue at the previous NPT Review Conference in 1975,[1] Western delegates were surprised at the vehemence of these attacks. No doubt the East European representatives enjoyed the discomfiture of their Western colleagues, though on the central issue at the Conference—support for the Treaty—they resolutely backed the West. The main divisions were between North and South, not between East and West.

Attacking the West over its 'co-operation' with Israel and South Africa proved to be a popular activity, but the main issue at the Conference was nuclear disarmament. Under Article VI of the Treaty, parties pledged themselves to undertake 'effective measures relating to the cessation of the nuclear arms race at an early date and to nuclear disarmament'. At the 1975 Review Conference, Yugoslavia and other non-aligned countries had been extremely critical of the nuclear-weapon states for failing to negotiate more far-reaching measures of nuclear disarmament. But many Western governments expected Yugoslavia to realize that the Soviet invasion of Afghanistan in 1980 had made it very difficult to negotiate agreements with the Russians and perhaps even more difficult to win Western public support for such agreements. They had, therefore, expected the debate over Article VI to be less strident than it had been five years before. They were mistaken.

The veteran Mexican delegate, Garcia Robles, drew up a list of five specific measures relating to nuclear disarmament to which he wanted the three depositary powers to agree: the beginning of multilateral negotiations on nuclear disarmament; solemn declarations by the United States and the Soviet Union that they would abide by SALT II even before it was ratified; multilateral negotiations on a Comprehensive Test Ban Treaty (CTBT); a moratorium on nuclear-weapon tests pending the ratification of a CTBT; and the production of data on nuclear weapon tests and stockpiles of strategic weapons.

All these proposals were disliked by one or more of the nuclear-weapon states According to one journalist covering the Conference, 'President Carter, anxious t match Ronald Reagan's machismo stance on defence, sent his negotiating team here with no authority to make concessions.'[2] But in fact there were few conces sions which the Americans could make to Garcia Robles and his supporters. Th Soviet Union had called for negotiations on nuclear disarmament at the UN Special Session on Disarmament in 1978 and has continued to advance the pro posal at the Committee on Disarmament in Geneva. The suggestion obviously ha wide appeal, but its realization would take the negotiations back to the intermir able discussions on verification which characterized them in the 1950s. As the U representative told the Committee on Disarmament in March 1979, 'the cessatio of production and elimination of even the smallest nuclear weapons implies pervasive verification mechanism which would far surpass anything contemplate so far in arms control agreements.'[3]

[1] See Ian Smart, 'Reviewing non-proliferation', *The World Today*, June 1975.
[2] *Observer*, 7 September 1980.
[3] Speech by Ambassador Fisher at the Committee on Disarmament, 29 March 1979.

The Mexican Ambassador's proposal that the United States and the Soviet Union should solemnly declare that they would abide by SALT II, even if it were not ratified, could cause grave difficulties for any US Administration since it might appear an effort to circumvent Congressional appraisal of the Treaty. Moreover, Washington and Moscow have been reluctant to engage in multinational negotiations on a CTBT while they have been carrying on their trinational negotiations on the same subject with the United Kingdom.[4] The British and Americans were also resolutely opposed to a moratorium on nuclear-weapon tests because such a moratorium would not include the provisions for verification which they hoped to see in a CTBT and because, when they had previously abided by such a moratorium, the Kremlin had suddenly denounced it and begun an extensive series of tests.

Thus, most of Garcia Robles's proposals caused more embarrassment to the United States than to the Soviet Union. His final suggestion that the nuclear-weapon states should provide data on nuclear-weapon tests and stockpiles may have been an attempt to give the proposals the semblance of balance. It was certainly likely to cause more difficulty for the Russians than for the West. However, the utility of the idea is open to question, given the extensive figures on stocks of weapons published by such organizations as the IISS and SIPRI, and the figures for maximum holdings of strategic weapons included in the SALT I agreement.

In the event, the US representatives agreed to compromise and to participate in multilateral discussions at the Committee on Disarmament on a CTBT. Some delegations believed that, if the United States had made this concession earlier in the Conference, several of the Third World countries, such as Nigeria and perhaps even Mexico itself, might have been prepared to agree to a Final Document. Whether this is true will never be known; certainly the Yugoslavs and others would probably have fought any tendency to compromise and deadlock might still have been reached.

Because of the failure to reach agreement, the Third World countries suggested that the Conference should be adjourned until 1981. The Swedish delegate, Mrs Thorsson, apparently believed that postponement might enable the United States and the Soviet Union to ratify SALT II and thus to take the sting out of some of the criticisms by Third World countries. But the US delegation strongly opposed such postponement, probably believing that a conference in 1981 would only prolong the agony and give the developing countries more time to make their attacks. There has also been a growing feeling since the 1978 UN Special Session on Disarmament that the West made all the concessions and that the Third World would eventually have to realize that the leverage offered by Western support for the NPT was finite.[5]

The failure to negotiate a Final Document does not, of course, mean the immediate collapse of the NPT. To achieve this, there would have to be a substantial number of abrogations of the Treaty by key parties. But such a failure may have

[4] For the present state of these negotiations, see *Arms Control and Disarmament*, No. 4, May 1980, published by the Arms Control and Disarmament Research Unit of the Foreign and Commonwealth Office, p. 9.

[5] For the part played by nuclear proliferation in the UN Special Session, see Philip Towle, 'The UN Special Session on Disarmament—retrospect', *The World Today*, May 1979.

weakened the Treaty and reduced its ability to prevent or to delay the spread of nuclear weapons. It has certainly strengthened the hands of the Pakistanis, Indians and others who wish to damage the NPT. Above all, it could provide an 'excuse' should any of the parties decide to denounce the Treaty and to explode a nuclear device. The omens are discouraging.

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East–West détente and technology transfer

VLADIMIR SOBESLAVSKY

SINCE *East–West détente has entered a period of profound crisis from which it* cannot but emerge in a vastly different form—should it survive at all—it might be worth looking at some of the issues of East–West transfer of technology—a factor which not only accounts for détente's very existence but has also from its early days propelled it forward with perhaps the greatest vigour. How significant is the interest of both East and West in the continuing existence of economic and business co-operation and political moderation and what would be the long-term economic costs of détente's termination on both sides involved? A precise evaluation of these costs is hardly possible, but some tentative conclusions and an analysis of the factors which have produced and sustained East–West technology transfers can be made.

Pragmatism and ideological flexibility

To suggest that the history of Soviet industrial development is also a history of Soviet technological dependence on the outside world would scarcely be a noteworthy proposition (international transfer of technology has been one of the essential prerequisites of economic development anywhere in the world), were it not for the fact that from its early stages the construction of socialism in the Soviet Union has been accompanied by the pursuit of autarky, cultural and spiritual isolation and political hostility towards the external capitalist environment. The Soviet readiness to benefit from the West's technological advances constitutes a striking exception to this overwhelming tendency towards separation. The root of this phenomenon lies in the considerable degree of pragmatism and flexibility

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displayed by Lenin during the period of his New Economic Policy in the 1920s when the operations of both foreign and indigenous entrepreneurs were tolerated so that the economy could recover while its 'commanding heights' were held firmly in Bolshevik hands. Co-operation with foreign companies was discontinued in the late 1930s only to start again in a big way in 1958 during the implementation of Khrushchev's Seven-Year Plan which foresaw a major modernization of the Soviet industrial base. Under Brezhnev's leadership, the Soviet Union followed the course initiated by Khrushchev, but the latter's concept of 'peaceful coexistence' became a full blown détente and East–West technological co-operation greatly increased in scope and variety.

From the Soviet point of view, détente represents no dramatic departure from the pattern established earlier. The infusion of Western technology does not imply a threat of importing with it the germs of the capitalist system itself and the policy presents hardly any, or very little, ideological problems—it can easily be (and is) argued that, far from damaging Communism, the importation of Western plants and equipment makes its construction faster and easier. The pragmatic and flexible posture of the present-day Soviet leadership may thus be seen as an application to contemporary conditions of the tactics first used by Lenin: détente has always been interpreted by the Soviet side not as a sign of weakness and a renunciation of the class struggle, but as a mere change of tactics making possible a combination of co-operation with the West in commerce and technology on the one hand with an uncompromising stance in the realms of internal security and 'international class struggle' on the other.

Strengths and weaknesses

After the death of Stalin, the Soviet leaders grew aware of the technological gap that existed between the Soviet Union and the other Comecon countries on the one hand and the advanced Western countries on the other. Khrushchev, who visited Western Europe and the United States, admitted that the Soviet Union lagged behind the West, but he had not lost his faith in the superiority of socialism and expected that within a couple of decades the USSR would overtake Western capitalism in all respects, including science and technology.

At that time his optimism was justified. The Soviet Union achieved several spectacular technological feats which took the world by surprise—it successfully commissioned the world's first ever nuclear power plant, operated the first nuclear-powered ice-breaker, *Lenin*, launched its first *Sputnik* and was the first to send a man into space. These extraordinary achievements created, and for some time sustained, the belief in Soviet technological superiority. At any rate, it then seemed quite natural to expect that a country able to excel in such technically demanding fields would be capable of bridging the general technological gap within a couple of decades.

An analysis of the Soviet economic (and political) system, however, shows that a relative excellence in several areas (such as space exploration or military technology), far from being a springboard for updating the technological level of the whole industrial base, can, in a sense, be regarded as a hindrance to such an effort

because the achievements in these areas have been bought at the cost of neglecting industrial branches not directly related to them; such achievements cannot be regarded as a natural outcome of a dynamic, all-round industrial and technological development but as results of an enormous concentration of means and effort on several highly prestigious projects.[1] The ability of the Soviet system to implement such programmes is, again, one of its essential features: there exists a close functional link between the high degree of centralization of the steering mechanism as it exists in a Soviet-type economy and the rapid expansion of heavy industry (and within it of the high-priority branches such as steel or, more recently, chemicals) at the cost of neglecting agriculture (as under Stalin) and the consumer-oriented industries in general. Thus, Soviet economic development may be judged to have been lop-sided[2] and, despite a considerable erosion of Stalinist dogma, the concepts and attitudes that shaped the Soviet system in the period of its formation are still very much in evidence.

Science and technology represent an area in which this systemic disparity between strength in one respect and weakness in another is manifested perhaps most dramatically. According to recent Soviet-American comparisons produced by the US Bureau of the Census, the total number of professional scientists and engineers in the Soviet Union now stands at about 950,000 (compared with 125,000 in 1950), while the comparable figure for the United States is about 620,000.[3] Yet, despite this ability to promote the rapid expansion of scientific education, the Soviet Union has not been able to secure the attainment of an adequate rate of technological innovation based on indigenous effort and continues to depend on 'borrowed' or imported Western technology. One study concluded that Soviet dependence on the transfer of technology had been virtually total and that, for example in the period between 1945–65, only three technological processes were of Soviet origin and only five technological areas used both Soviet and Western processes.[4] Another recent study which addressed itself to the examination of technological levels of selected industrial branches concluded that, although the volume of Soviet scientific output is substantial by any standards (and exceeded only by the United States), its quality is worse; the overall result is that in most industries studied there is no evidence that in the past 15 to 20 years the technological lag behind the West decreased substantially either at the prototype/commercial application stages or in the diffusion of advanced technology.[5] A related conclusion is that in considering the constituent phases of the 'research–products' cycle (i.e. research–experimental development–innovation–diffusion) the Soviet Union per-

[1] A. D. Sakharov, *My Country and The World* (New York: Knopf, 1975), p. 31.

[2] See R. Hutchings, *Soviet Economic Development* (Oxford: Basil Blackwell, 1971), p. 290.

[3] *The Times Higher Education Supplement*, 4 April 1980, p. 5.

[4] A. C. Sutton, *Western Technology and Soviet Economic Development* (Stanford: Hoover Institution Press, Stanford University, 1973), Vol. III, p. 370. Sutton moreover concludes that 'between 1917 to 1965 there was no fundamental innovation of Soviet origin in the USSR and recent evidence suggests that this unfavourable record is likely to remain unaltered.' See Vol. III Introduction, p. xxv. It should be noted that, while many experts acknowledge the importance of Sutton's work, they also caution against what they see as his prejudice. See P. Wiles, *Economic Institutions Compared* (Oxford: Basil Blackwell, 1977), p. 416, note 44.

[5] R. Amann, J. Cooper, R. W. Davies, *The Technological Level of Soviet Industry* (London Yale University Press, 1977), p. 66.

forms relatively well in the early stages whereas it is at its weakest in the area of innovation and diffusion.

The basic problem for the Soviet Union is that, while the centrally planned system gives strong support to stability, it does so at the cost of forgoing the benefits of rapid technological change whose short-term effect is destabilizing. The Soviet economic system is designed in such a way that introduction of innovation in industry brings a number of risks to the innovating manager and that the incentives or likely benefits obtainable from successful innovations are insufficient to motivate those responsible for such decisions.[6] The decision to innovate is likely to increase the complexity of an enterprise's supply system: the introduction of a new technological process or production of a new product necessitate the supply of new materials (with the producers of which the innovators are not acquainted) as well as the services of research and design institutes (unless, as is today increasingly the case, the enterprise is not organizationally directly associated with such units). This means that, given the conditions of the prevailing seller's market, the innovating manager exposes himself to the risks of disruptions resulting from untimely supplies or shoddy workmanship or services provided by unfamiliar suppliers. Furthermore, the introduction of a new process itself often leads to disruptions and wastage before it is fully mastered; it is therefore not surprising that the managers, whose success or failure and the size of bonuses are still determined mainly by the degree of quantitative plan-fulfilment, tend to oppose rather than favour the introduction of a major industrial innovation.

These disincentives are not compensated by proportionately higher prices for new products. The profit mark-up is determined by the average cost of production which means that a new product embodying technological advance is assigned the same price as the older product. This principle has its roots in the labour theory of value; the notion of pricing products according to their productivity ('use value' in Marx) offends the ideological tenets of the system and is, therefore, resisted. Despite the fact that some reforms of the price system have been implemented, the discrimination against innovating enterprises has not been eliminated.

One suggestion for improving the Soviet Union's deplorable performance in diffusion of technological change is to transmit the experience, inventions, discoveries and management methods of the defence industry to the economy as a whole. It should be apparent from the above discussion that such a strategy is hardly feasible, because the success of this industry is a function of the highest priority attached to it and it is clearly impossible to accord the same degree of priority to the remaining industrial branches.[7] Moreover, the 'spillover' of innovation and discoveries is prevented by the high degree of secrecy under which the

[6] The most comprehensive study to date focusing on these problems is by J. Berliner, *The Innovation Decision in Soviet Industry* (Cambridge, Mass.: MIT Press, 1976). A concise exposition of Berliner's findings appeared under the title 'Prospects for Technological Progress', in *Soviet Economy in a New Perspective*, Joint Economic Committee, Washington 1976, pp. 431–46.

[7] The policy of extending a similar degree of priority to several branches of the national economy regarded as structurally determinant was implemented in East Germany in the 1960s. It failed because the effort could not be matched by an equal degree of priority assigned to supply and processing industries. See H. Zimmermann, 'The GDR in the 1970s', *Problems of Communism*, March–April 1978, p. 7.

defence-related industries operate; in any case, it has recently been argued that the relative success of the Soviet military industrial complex is not due to its above-average efficiency but to the fact that it represents essentially a parasitic system, which feeds on the rest of the economy by intercepting the best the latter manages to turn out.[8]

The degree of dependence

A brief analysis of the present kind allows attention to be focused merely on the most important sets of factors making for the intensification of the East–West transfer of technology. The first two have been mentioned: the flexibility that makes détente congruous with Soviet long-term political and ideological aspirations, and the inbuilt weakness and resistance to reforms which make the desired improvement in the domestic rate of technical innovation in production very difficult to achieve. The third important factor is the gradual depletion of extensive sources of economic growth in the Soviet Union[9] and the necessity of increased reliance on the application of efficient management and equipment. Soviet growth rates have been declining since at least the late 1950s—in 1979 the Soviet Union registered the lowest annual growth rates since the Second World War and the slowdown was more marked than might have been expected from an extrapolation of past trends. Admittedly, a more matured economy of the 1980s cannot be expected to grow at the exceptionally high rate achieved in the earlier periods, but what is particularly disturbing is that the slowdown of output has generally been taking place without a corresponding decrease in the rates of growth of inputs.[10] The combined effect of all these factors is the pressure in favour of technology transfer, and hence in favour of East–West détente, which alone can provide an atmosphere under which the building of channels facilitating the eastward flow of technology can progress with relative ease.

The full extent of Soviet technological dependence on the West is difficult to ascertain as the subject is understandably a sensitive one and is surrounded by a veil of secrecy. Even when the subject is discussed, Soviet officials or commentators as a rule stress the relatively minimal size of Western imports in proportion to the size of total inputs or in proportion to the magnitude of their economy. For example, the Soviet Deputy Minister of Foreign Trade claimed that in 1977 the total volume of Soviet imports from advanced capitalist countries amounted to less than 1·5 per cent of the Soviet Union's gross product.[11] Indeed, it is important to bear in mind that the volume of this trade is dwarfed by the size of the Soviet economy and by the magnitude of its output and inputs. In 1975, for example, the value of Soviet imports of Western machinery and transport equipment represented only 5·6 per cent of domestic machinery investment in the following year

[8] M. Augursky and H. Adomeit, 'The Soviet military-industrial complex', *Survey*, Spring 1979, pp. 106–24.

[9] On Soviet labour force supply constraints, see M. Feshbach and S. Rapawy, 'Soviet population and manpower trends and policies', in *Soviet Economy in a New Perspective*, *op. cit.*, p. 113. On Soviet energy constraints, see L. Dienes, 'The Soviet Union: an energy crunch ahead?', *Problems of Communism*, September–October 1977, pp. 41–60.

[10] See CIA, *Soviet Economic Problems and Prospects*, Washington, 1977, p. 10.

[11] V. Sushkov in *Ekonomicheskoe sotrudnichestvo stran chlenov SEV* (Comecon's Information Bulletin), No. 3, 1977, p. 58.

(1976) when the equipment was presumably installed; this share was the highest ever—the lowest was 1·6 per cent in 1958, while the average between 1955–76 was 3 per cent.[12]

On the other hand, it is essential to distinguish between the approach which considers Western machinery imports in terms of overall inputs and an approach which stresses the differences in productivity of the Western and Soviet (or Comecon) manufactured machinery and equipment. The results of recent Western research based on the use of econometric models of the Soviet economy confirm that the contribution to the growth of the Soviet industry made by Western technology is much more important than its relatively low share in the total investment would indicate; it is, after all, a common sense observation that, given the chronic scarcity of hard currency, the Soviet planners exercise great caution in deciding what to import and that the machinery and equipment thus selected are expected to perform much better than their comparable Soviet or East European counterparts. One such study concluded that the machinery and equipment imported by the Soviet Union from the West in the period 1968–73 was about eight times more productive at the margin than indigenous machinery and that, had not such imports taken place, the industrial growth rate achieved in that period would have been reduced by about 2·5 percentage points (i.e. to 30·9 per cent instead of the actual 33·4 per cent).[13] Another exercise by the same authors indicated that variations of 10 per cent either way in the projected total of Soviet imports of Western machinery for the 1973–80 period would lead to slight but perceptible changes in Soviet total industrial output in 1980: a 10 per cent reduction of imports would reduce the industrial growth index from 126·6 (1975 = 100) to 126·2, while a 10 per cent increase would result in the rise of the index to 127·0.[14]

Moreover, when assessing the extent of Soviet dependence on Western technology, it is necessary to bear in mind that the Soviet Union imports high technology, or products produced on the basis of high technology, which simply are not available within Comecon. Perhaps the most notable examples are advanced computers or complete chemical plants. As regards chemicals, it has been shown that the Soviet programme of 'chemicalization', launched by Khrushchev in 1958 and vigorously pursued to date, could not be implemented without access to Western technology. About 20 per cent of the total rouble value of the Soviet chemical industry's equipment is of Western origin; the dependence on Western plants imports is virtually total in the production of technologically most progressive and key products such as polymerized plastics, synthetic fibres, tyres and ammonia.[15] The benefits of the 'ripple' effect of the availability of these materials to Soviet industry and agriculture are immense. This dependence is likely to con-

[12] P. Hanson, 'Western technology in the Soviet economy', *Problems of Communism*, November–December 1978, Table I.

[13] D. W. Green and H. S. Levine, 'Macroeconomic Evidence of the Value of Machinery Imports to the Soviet Union', in Thomas and Kruse-Vaucienne (eds.) *Soviet Science and Technology: Domestic and Foreign Perspectives* (Washington, D.C.: George Washington University, 1977), p. 395.

[14] D. W. Green and H. S. Levine, 'Soviet machinery imports', *Survey*, Vol. 23, No. 2, Spring 1977–78, pp. 112–26.

[15] For the role of Western technology in implementing the 'chemicalization' drive, see V. Sobeslavsky and P. Beazley, *op. cit.*, especially Chapters 3 and 4.

tinue as the nature of the equipment imported is such that it cannot be replicated or scaled up without a profound understanding of the processes involved and, more importantly, without possessing an industrial base capable of turning out the necessary high-quality components in sufficient quantity. Despite the fact that the Soviet Union is relatively advanced in iron and steel making technology, its industry has so far been unable to satisfy the demands of the modern chemical and petro-chemical equipment-manufacturing industries.

This weakness has also been manifested in strategically key areas such as energy. Exploration and extraction of oil and natural gas as well as the transport of these products over the large distances involved has been becoming technologically more and more demanding; it seems generally agreed that the Soviet industry cannot resolve these problems with adequate speed without Western assistance. The Russians have been negotiating the delivery of sophisticated equipment for secondary and tertiary recovery (to be used in existing nearly depleted oil fields) as well as deep-water drilling technology,[16] but apart from that the programme of pipelines construction could not proceed with the required speed without the heavy reliance on the imports of large-diameter steel pipes which the Soviet industrial infrastructure is not able to produce in sufficient quantity.[17]

Although the contribution made by Western technology imports is significant, and in several key areas decisive, a few words of caution are necessary to put these conclusions into a more realistic perspective. First, the net economic effect of importing foreign technology is reduced because its installation and successful commissioning require additional expenditure on the necessary infrastructure and frequently demand a far-reaching expansion of related industrial output and an additional R & D expenditure; the imports thus have a resource-releasing as well as resource-demanding function. Secondly, the Soviet system is hardly able to diffuse this technology at a satisfactory rate; in the final analysis, it makes little difference whether an innovation is of domestic or foreign origin. Thirdly, it is questionable whether the imported equipment is in fact used with the degree of efficiency with which it would operate in the West. There is evidence that this is not so;[18] in any case, the differences in the marginal productivity between the domestically and Western produced equipment is also a function of their relative shares in the total capital stock—because of the hard currency shortage, the imported technology is a beneficiary of high priority treatment on the part of the authorities (hence the large difference in marginal productivity), but a growing number of Western-assisted projects would probably be associated with a less striking disparity between the marginal productivity of imported and domestically produced equipment.[19]

[16] *The Guardian*, 18 March 1980, p. 7.

[17] *The Oil and Gas Journal*, October 1977, p. 110.

[18] According to E. Manevich in *Voprosy ekonomiki*, 1969, No. 10, pp. 27–40, a chemical plant imported from the West erected at Shchekino employed up to eight times more workers than an identical plant situated in the West. For the category of white-collar employees, the figure stood at about 3½. In general, it may be said that when imported plants are re-visited some time later, they often provide the impression that high standards have not been maintained.

[19] P. Hanson, 'International Technology Transfer from the West to the USSR', in *Soviet Economy in a New Perspective*, *op. cit.*, p. 800.

The prospects of an end to détente must be disheartening to all parties concerned. If it is the case that Soviet industrial growth would be further stunted by the withdrawal of Western technological assistance, then it is even more so in regard to the much more open and trade dependent economies of Comecon such as Poland and Hungary whose industrial modernization strategy has largely hinged on the policy of imports of Western technology. (It is no coincidence that the May 1980 Franco-Soviet summit was enthusiastically hosted by the anxious Polish leader, Edward Gierek.) On the other side of the divide, such prospects have evidently been a source of concern to the major beneficiaries of East–West business—West Germany, France and Western Europe as a whole. Quite apart from lost employment opportunities, it would be difficult to argue that to hit the Soviet Union where it hurts most—i.e. by a denial of off-shore drilling equipment—would serve anybody's interests. It would merely bring closer the possibility predicted by the CIA that in the 1980s the USSR may be unable to supply oil to Comecon and the West on the present scale and may have to compete for OPEC oil for its own use. Needless to say, this would render the existing situation in the Middle East even more complex and explosive.

The East–West technology transfer as it has evolved in the past decade cannot be fully evaluated simply in terms of trade and employment statistics, however beneficial it has been in this respect. The problems of its management gave rise to the creation of unconventional channels—industrial co-operation agreements—which bridge the ideological and systemic barriers between East and West and foster permanent and continually expanding ties based on mutual advantage.[20] Closely related to this is also the financial aspect of technology transfer. The East European countries' hard currency debt currently amounts to some $65–70 billion ($18·7 billion of which is taken by Poland, and $17·5 billion by the Soviet Union)[21] and the management of its servicing and repayment demands continued co-operation by all the parties concerned, as they all now have a vested interest in avoiding the collapse of Comecon's industrial strategies. These factors have already exhibited their capacity to act independently in favour of at least commercial détente, and they may undoubtedly be expected to continue to do so in the foreseeable future.

[20] Co-operation agreements involve as a rule the repayment of credit extended by the Western partner on the basis of countertrade ('buy-back'). In chemicals the extent of 'buy-back' trade will, due to its uncontrollable nature, reach by the mid-1980s dangerous proportions (up to $1·0–1·5 billion worth of Comecon chemical products are estimated to enter Western markets annually in the 1980s). The management of its consequences should demand a continuous East-West co-operation. The implications of the compensation trade in chemicals are discussed by V. Sobeslavsky and P. Beazley, *op. cit.*, especially Chapter 4.

[21] This is an estimate of the level of Comecon debt as it stood in the spring. By autumn 1980 the Polish debt alone was thought to have reached about $20 billion.

Confidence-Building Measures in European security

ABBOTT A. BRAYTON

Since the 1975 Helsinki Conference when Confidence-Building Measures emerged as a serious issue, over 60 CBM have been proposed in various arms control conferences. This article focuses on the concept and role of CBM, which are listed comprehensively, and analyses 12 of them as serious contenders for adoption at the forthcoming CSCE Review Conference in Madrid.

FACED with the appalling threat of the world's largest concentration of nuclear and conventional power, the European nations have begun anew the search for peace and stability through arms control. This is complicated and delayed by competitive nationalism and a highly charged ideological environment. Arms control requires a degree of confidence in the future, sometimes helped, sometimes impeded by the collective security of the major military blocs. Confidence-building as a prelude to serious arms control is increasingly gaining the attention of European leaders. Confidence-Building Measures (CBM) are emerging as a significant new element in international politics.

Confidence-building in a competitive international environment 'involves the communication of credible evidence of the absence of feared threats', the purpose of which is to lessen the 'incentives for competition which derive from uncertainty and possible misunderstanding'.[1] This requires an established pattern of behaviour giving each nation reasonable assurance that no other country will attack or exploit situations to the serious disadvantage of another. This presupposes the building of trust, difficult in interpersonal relationships, more difficult in international relationships. The history of Europe gives little incentive to trust.

The Cold War era, until recently, has been devoid of serious attempts at confidence-building, with a few notable exceptions. In 1955, for example, the UN General Assembly adopted a resolution co-sponsored by the United States to develop 'such confidence-building measures as the plan of Mr Eisenhower, President of the United States of America, for exchanging military blueprints and mutual aerial inspection, and the plan of Mr Bulganin, Prime Minister of the Union of Soviet Socialist Republics, for establishing control posts at strategic centres'.[2] The measure, however, failed.

[1] Johan Jørgen Holst and Karen Alette Melander, 'European Security and Confidence-Building Measures', *Survival* (London), July/August 1977, p. 147.

[2] *Interim Progress Report: Confidence-Building Measures for Forthcoming Arms Control Fora*, prepared for the US Department of State by the BDM Corporation, McLean, VA, 13 November 1979.

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A more successful CBM was the Hot Line agreement, negotiated after the 1962 Cuban Missile Crisis. Similarly, the series of disengagement steps taken by the United States vis-à-vis the Soviet Union in the 1960s resulted in confidence-building and preparation for détente. These included the withdrawal of short- and medium-range missiles and bombers from Europe, paralleling earlier Soviet troop reductions when Khrushchev reallocated budget priorities. It is true that this was in accordance with a realignment of US strategic systems in support of a second-strike capability, but it also contributed significantly to confidence-building. In fact, the shift of US strategy policy from a first-strike to a second-strike capability is analogous to confidence-building measures: i.e., forces were not reduced, but rather were altered so that they posed less of a threat from accidents or rash action. The fundamental capability remained unimpaired. With added confidence, however, arms limitations, later arms reduction agreements could be negotiated. The SALT agreements followed from this confidence in the second-strike systems.

In Europe, the reduction of East–West tensions after 1962 set the stage for serious arms control discussions.

CBM and the theory of international politics

The role of perception and misperception in international politics has been well examined in recent years.[3] Perceptual theory suggests that no nation views events with absolute clarity due to a variety of factors which distort reality as information is filtered into the process of awareness and decision. Some of these factors include misinformation, insufficient information, the lack of the ability of a decision-maker to comprehend the information, disbelief, differing perspectives, and the propensity to see what one wants to see in any situation.

Perceptual problems of the East–West conflict are well known. Each side views itself as defending from a position of military weakness, while the other side is viewed as aggressive with the advantage of military superiority. This would be a perfect stalemate, as it has been during the Cold War, but for the Clausewitzian principle that the best defence is a quick offence; defence through offence is well demonstrated in European history. Conceivably, then, conflict could erupt at any time for presumably defensive reasons. Similarly, as is often charged, each side could be increasing its force capabilities so as to achieve military superiority, a position from which to coerce the other side into giving up real advantages ('Finlandization').

The result, for whatever reason, is an arms spiral, the effects of which were recorded by the British Foreign Secretary, Lord Edward Grey, before the First World War.

[3] See Joseph De Rivera, *The Psychological Dimension of Foreign Policy* (Columbus: Merrill, 1968); Robert Jervis, *Perception and Misperception in International Politics* (Princeton, NJ: Princeton University Press, 1976); Otto Klineberg, *The Human Dimension in International Relations* (New York: Holt, Rinehart and Winston, 1965); Ross Stagner, *Psychological Aspects of International Conflict* (Belmont, CA: Brooks, Cole, 1967); John Stoessinger, *Nations in Darkness* (New York: Random House, 1978); Marshall Singer, *Weak States in a World of Powers* (New York: Free Press, 1972).

> The increase of armaments, that is intended in each nation to produce consciousness of strength, and a sense of security, does not produce these effects. On the contrary, it produces a consciousness of the strength of other nations and a sense of fear. Fear begets suspicion and distrust and evil imaginings of all sorts, till each government feels it would be criminal and a betrayal of its own country not to take every precaution, while every government regards every precaution of every other government as evidence of hostile intent.[4]

This aptly summarizes not only the Cold War era, but many other periods of international conflict. Even without armed conflict, as in Europe during the past 35 years, the maintenance of large armed forces drains nations of productive resources which could be more effectively employed in human and economic development.

An arms race, as Grey noted in his memoirs, cannot be stopped by one side dropping out—this often fuels the appetite of the other. It can be slowed, perhaps reversed, by altering the perceptions of both sides. CBM provide the first convincing means of establishing some degree of trust sufficient to induce a climate for arms reduction negotiations, by illuminating presumably peaceful behaviour patterns of either side. CBM provide reassurance of good intentions through (*a*) continuous public demonstration of non-aggressive postures, and (*b*) the enhancement of crisis-management capabilities commensurate with a reduction of the danger of surprise attack.[5]

Unlike arms limitations agreements, which require the careful monitoring of numerical levels of forces, CBM focus on intentions. Yet, the problems of assessing intentions are bypassed, for compliance requires only the verification of those major actions which presumably reflect intentions.

This raises a conceptual issue. Arms limitation agreements incorporate substantive measures, such as controls on force development or reductions in force levels. CBM, however, as the stalking horses of substantive arms limitation agreements, are designed to be essentially symbolic—changing perceptions, rather than limiting forces. This is often obscured in practice, however, for a number of CBM are de facto substantive arms limitation measures, such as several of the Belgrade proposals (no-first-use of nuclear weapons, manœuvre restrictions and others).

CBM, therefore, reduce the likelihood of a surprise attack by providing early warning indicators of possible adversary preparations of aggression.[6] Adversaries are thus able to lower their defensive postures and defence spending with a commensurate lowering of tensions and the risk of war. They provide a form of crisis management which fits into the early stages of Charles Osgood's Graduated Reciprocation In Tension-reduction (GRIT).[7] GRIT was practised, in effect, to

[4] Robert Jervis, *op. cit.*, p. 65. See also Ole Holsti, *Crisis, Escalation, War* (Montreal: McGill-Queen's University Press, 1972).

[5] Jonathon Alford, 'Confidence-Building Measures in Europe: The Military Aspects', in Alford (ed.), *The Future of Arms Control: Part III—Confidence-Building Measures* (London: IISS, Adelphi Paper No. 149, 1979).

[6] BDM Corporation Report, *op. cit.*, p. 2.

[7] Charles Osgood, *An Alternative to War or Surrender* (Urbana: University of Illinois Press, 1962).

lessen Cold War tensions after 1962 (as above) and it is hoped that greater success can be attained in this manner through the use of CBM as a prelude to serious arms limitation/reduction negotiations for Europe in the 1980s.

European arms control initiatives

Arms control discussions which focused on force reductions were first proposed as part of a general conference on broader issues of European peace and security. At the Moscow Summit Meeting in May 1972, President Nixon and Secretary Brezhnev agreed to hold separate but parallel discussions on peace and security issues at a Conference on Security and Co-operation in Europe (CSCE) and on force reduction issues at a Mutual Balanced Force Reductions (MBFR) conference. Preparatory talks for CSCE began during November 1972 and those for MBFR in January 1973. Since that time, a number of other initiatives have taken place regarding arms control. It is useful, therefore, briefly to describe each of these.

Conference on Security and Co-operation in Europe (CSCE).[8] Following preparatory talks, CSCE negotiations at the foreign minister level began in July 1973. The Final Act was signed by 33 European states plus the United States and Canada on 1 August 1975 at Helsinki. Its geographic parameters apply to all signatories. The Final Act is a statement of intent, rather than a legally binding treaty and yet, because it was signed at the highest levels, it carries considerable political weight. Its provisions are divided into three main sections, referred to as 'baskets'. Basket I, a declaration of ten principles on the conduct of transnational relations among signatories, designed to promote sovereignty, co-operation, law and human rights (defined as freedoms of thought, conscience, and religion/beliefs, very much in accordance with the 1948 Universal Declaration of Human Rights), also included CBM to help reduce the danger of armed conflict.[9]

The Final Act also provided for follow-on conferences to review the implementation of the agreement and to expand its provisions where possible.

First Review Conference of CSCE, Belgrade.[10] Delegations from the Helsinki pact signatory states met in Belgrade from October 1977 to March 1978. It proved to be a frustrating session for all sides and one without a definitive concluding document. The review of the implementation of the Helsinki Final Act focused largely on human rights issues in the Western press, with the Soviet Union receiving considerable attention. Less evident was a series of CBM proposed by various nations. While none were mandated by the conference, this moved the CBM issue

[8] Department of State, *Conference on Security and Co-operation in Europe Final Act* (Washington, DC: Publication No. 3826, August 1975) and related reports by the Bureau of Public Affairs, including 'GISTs' and 'Special Reports'.

[9] Basket II provides for enhanced trade and co-operation in the fields of economics, science, technology, the environments and other areas; Basket III focused on the sensitive areas of human contacts, travel conditions, freedom of information, education and cultural co-operation. See Richard Davy, 'The CSCE summit', *The World Today*, September 1975.

[10] John D. Toogood, 'Military Aspects of the Belgrade Review Meeting', *Survival*, July/August 1978, pp. 155–8. See also Richard Davy, 'Procedural wrangles in Belgrade', *The World Today*, September 1977, and 'No progress at Belgrade', *ibid.*, April 1978.

to centre stage as critical to future arms control negotiations and a major issue for the neutral and non-aligned nations. Several CBM proposals followed the Belgrade conference (see Table).[11]

Second Review Conference of CSCE, Madrid. The Madrid Conference, scheduled for November 1980, will attempt to gain approval of a concluding document which will cover a number of areas included in the Helsinki agreement's three baskets. Of particular importance will be the attempt to gain acceptance of further CBM.

Mutual Balanced Force Reductions (MBFR).[12] MBFR negotiations have been in progress since October 1973. Direct participants include the Benelux countries, West Germany, GDR, Poland and Czechoslovakia, those geographically located in the potential treaty area, plus countries having military forces based in that region, including the United States, Canada, the United Kingdom and the Soviet Union. Indirectly, other participants include the remaining Nato and Warsaw Pact members except Portugal, Iceland and France. Whereas CSCE addresses each participant separately, MBFR is the primary bloc-to-bloc forum. Basic Nato objectives include reducing the level of forces in Europe so as to reduce both the likelihood of war and defence costs, while establishing a stable military balance in Europe to prevent Soviet military superiority from threatening member states. Consequently, considerable caution has accompanied those discussions, and a concern for 'asymmetry': force reductions must balance offensive-defensive capabilities between the blocs. One of the most basic yet difficult tasks has been to define various categories of weapons systems and military personnel and to determine how many of each type every country maintains in the guidelines area (the geographic region defined above). Because of disagreements on who has what, the first phase of MBFR will focus on Soviet and US ground forces. The United States has proposed a series of Confidence-Building Measures which are designed to ensure compliance with an MBFR agreement and the building of trust.[13]

Conference on Disarmament in Europe (CDE).[14] The French government proposed a general conference on disarmament during the Belgrade Conference in 1977. Phase I would consist of confidence-building measures and Phase II would follow with reductions of conventional armaments. While this proposal initially received reluctant support from the Western allies, it has gained momentum as the Madrid Conference approaches. In 1979, France set forth 16 CBM as part of CDE, many of which overlap with other proposals.

[11] Communiqué of the Conference of the Political Consultative Committee of the Warsaw Pact Treaty Member States (Excerpts), 23 November 1978, *Survival*, March/April 1979, pp. 80–7.

[12] See William B. Pendergast, *Mutual and Balanced Force Reductions: Issues and Prospects* (Washington, DC: American Enterprise Institute, 1978); Christoph Bertram, 'The politics of MBFR', *The World Today*, January 1973; 'Mutual and Balanced Force Reduction', *Strategic Survey: 1978* (London: International Institute for Strategic Studies, 1978), pp. 121–3.

[13] Richard Burt, 'Allies said to alter troop-talks offer', *New York Times*, 15 August 1979.

[14] See excerpts from the speech by Jean François-Poncet, French Minister of Foreign Affairs, before the National Assembly, 3 May 1979, Press and Information Division, French Embassy, Washington, DC, 1979.

Conference on Military Détente (*CMD*).[15] A Warsaw Pact communiqué of 15 May 1979 from Budapest proposed CMD as an all-European security conference to achieve military détente in concert with political détente. Leonid Brezhnev's Berlin speech on 6 October 1979 supported such a conference and outlined six CBM. In addition, the Soviet Union continues to advocate confidence-building in the form of a 'non-aggression' pact to ensure no-first-use of nuclear or conventional weapons.

United Nations Special Session on Disarmament (*UNSSOD*).[16] The first special session of the UN General Assembly on disarmament met in Geneva from 23 May to 1 July 1978, from 24 January to 27 April and from 14 June to 14 August 1979. Discussions focused on the arms race, with special attention to nuclear and chemical weapons. Although numerous proposals were advanced, including several which are considered to be CBM, no substantive issues have as yet been resolved. The Federal Republic of Germany has proposed that the United Nations consider the application of CBM on a regional basis to trouble-spots throughout the world.

Proposed CBM

Over 60 separate CBM have been proposed in the various arms control fora, not counting duplications. These may be subdivided into several functional categories: notifications of military activities; three types of verifications; communications and the exchange of information; geographic extensions of CBM into peripheral areas; and various proposals which are more correctly termed substantive arms limitation measures, although they have been introduced as CBM (see Table).

Several CBM appear to have utility in European arms limitation and probably could be rendered acceptable to all sides. This may require considerable modification of any given proposal or attaching extensive interpretive provisions so as to make it palatable to all sides in whichever forum it is finally adopted.

(i) *Notification of smaller manœuvres* (exercises) appears likely, smaller generally being defined as a manpower figure of 10,000 men or more, or as a unit configuration of division size. The latter causes considerable variance which must be resolved, for a ground force 'division' may be as large as a 20,000-plus organization or as small as the 5,000-man French reserve divisions. This could aid the Western nations, for division-size manœuvres in Nato normally are publicly notified in advance for reasons of traffic safety, whereas the Warsaw Treaty Organization seldom makes such notifications.

(ii) *Notification of other military activities*, commonly referred to as 'out-of-garrison activities', including movements. This would require notifications any time a military force of specific size left its garrison area for any purpose.

[15] Warsaw Pact Foreign Ministers Conference, Berlin, Text of the Communiqué dated 5 December 1979, Foreign Broadcast Information Service, *Daily Report*, 6 December 1979.

[16] United Nations Committee on Disarmament, *Report to the United Nations General Assembly*, Document CD/53, New York, 14 April 1979. See also selected texts in *Survival*, September/October 1978, pp. 220–30, and Philip Towle, 'The UN Special Session on Disarmament—retrospect', *The World Today*, May 1979.

TABLE: CBM PROPOSALS (collated by the author)

CBM	*WHERE PROPOSED*	*BY WHOM*
	NOTIFICATIONS	
1. 21-day prior notifications on manœuvres exceeding 25,000	CSCE Final Act (mandatory)	
2. Notification of smaller manœuvres	CSCE Final Act (voluntary)	
	Belgrade	Non-aligned nations (NA)
	Brezhnev speech	USSR
3. Information on military manœuvres would be provided	CSCE Final Act (voluntary)	
	Belgrade	NA
4. Notification of major movements or out-of-garrison activities	Belgrade	Western countries
	CDE	France
	Budapest/Brezhnev speech	USSR
5. Notification of aggregate manœuvres exceeding 25,000	Belgrade	NA
6. Notification of all large naval manœuvres	Belgrade	NA/Romania
7. Notification of naval manœuvres near territorial waters	Belgrade	Yugoslavia
	Budapest/Brezhnev speech	USSR
8. Notification of air manœuvres (over 50 aircraft)	Belgrade	NA/Romania
	Budapest/Brezhnev speech	Yugoslavia/USSR
9. Notification of mobilization exercises	CDE	France
10. Publication of annual schedules of principal military activities	*	
11. Prior notification of division-size movements exceeding 200 km	*	
12. Extend prior notifications to 30 or 60 days		Alford
	Brezhnev speech	USSR
	VERIFICATIONS: TEMPORARY OBSERVERS	
13. Observers to attend manœuvres	CSCE Final Act (voluntary)	
	CDE	France
	Belgrade	Western countries
14. Observers to attend out-of-garrison activities	MBFR	USA
15. Code of Conduct and increased facilities for treatment of observers	Belgrade	Western/NA
16. Mobile observer teams	Post-Belgrade	Western countries
17. Observer posts in areas of crisis	UNSSOD	FRG
	VERIFICATIONS: PERMANENT DELEGATIONS	
18. Permanent delegations/liaison teams at major headquarters and divisions/corps	Post-Belgrade	US Army
19. Observers at ammunition sites		Alford
20. Observers/listening posts at bases/depots		Brayton
21. Declared exit/entry points under observation for personnel movements	MBFR	USA
	VERIFICATIONS: TECHNICAL MEANS	
22. Ground Inspections	MBFR	USA
23. Aerial Inspections	MBFR	USA
24. Satellite surveillance	*	
25. UN/neutral nations observers and listening points		Alford
26. Unmanned ground sensors: routes depots, garrisons		Brayton
	COMMUNICATIONS/INFORMATION EXCHANGE	
27. Hot line/telex between countries or military headquarters	Post-Belgrade	*
28. Information exchange: manpower/ forces	CDE	France
29. Information exchange: military budgets/other	Belgrade	NA
	UNSSOD	FRG

TABLE: CBM PROPOSALS (collated by the author)

CBM	*WHERE PROPOSED*	*BY WHOM*
30. Information exchange: command structure/stationing plans	CDE	France
31. Follow-on organization to exchange information	MBFR	USA
32. Limitations on coded radio traffic		Alford
	GEOGRAPHIC EXTENSIONS	
33. Extend CBM to Mediterranean	Belgrade Budapest	NA USSR
34. Extend CSCE boundaries to include 250 km of western USSR	Post-Belgrade	FRG
35. Extend CBM on a regional basis to other world trouble-spots	UNSSOD	FRG
	SUBSTANTIVE MEASURES	
36. Limitations on size of out-of-garrison activities	MBFR	USA
37. Non-interference with national technical means	MBFR	USA
38. Manœuvre ceiling of 40,000–50,000	Belgrade Brezhnev speech	USSR
39. Forbid multinational manœuvres near frontiers	Belgrade	Romania
40. Forbid new military bases on continent	Belgrade Budapest	Romania USSR
41. Forbid troop increases in another country's territory	Belgrade	Romania
42. Freeze alliance memberships	Belgrade/Budapest	USSR
43. No-first-use of nuclear weapons	Belgrade/Budapest Brezhnev speech	USSR
44. No-first-use of military force	Belgrade/Budapest Brezhnev speech	USSR
45. Freeze or reduce military budgets	Belgrade Budapest	Romania USSR
46. Forbid or limit ammunition on manœuvres		Alford
47. Forbid external ordinance on aircraft/helicopters (or near frontier)		Alford
48. Forbid heavy armour/heavy artillery East–West frontier		Alford
49. Annual limit on the number and duration of principal military activities and exercises	CDE	France
50. Move munitions stockpiles to rear		Alford
51. Move strike aircraft to rear		Alford
52. Move engineer bridging equipment to rear		Alford
53. Manœuvre limitations by duration or proximity to frontiers		Alford
54. Limitations upon amphibious exercises		Brayton
55. Limitations upon airborne/heliborne operations	*	
56. Force reductions and limitations of major weapons systems	*	
57. Manpower freeze during MBFR negotiations	MBFR	E. Europeans
58. End production of nuclear weapons and gradual reduction of their stockpiles	Budapest	USSR
59. Comprehensive Test Ban	Budapest	USSR
60. Security guarantees for non-nuclear states	Budapest	USSR
61. Dissolution of Nato and Warsaw Pact	Budapest	USSR
62. Negative security assurance: no attack on non-nuclear nations	UNSSOD	USSR

* *Additional informal proposals which may be discussed in various fora.*

(iii) *Notification of aggregate manœuvres*, meaning that a series of small manœuvres which totalled a specific size (proposed at Belgrade as anything over 25,000 men) would require prior notification. This would preclude a series of smaller manœuvres threatening another nation by aggregating a major force.

(iv) *The notification of mobilization exercises* normally is defined to exclude routine alerts and deployments to nearby locations by active forces. It would include, as proposed, large-scale call-ups of reserve forces or deployment of forces to border regions as part of a mobilization/readiness test. This is an especially valuable CBM, for wars traditionally are preceded by major mobilizations. Some advance warning of the purpose of a mobilization would reduce tensions.

(v) *Extended notification periods* have been proposed, from the existent 21-day mandated by CSCE to a 30-, 45-, or even 60-day period. Lengthier warning is certainly no great issue, but would provide some modest enhancement of confidence.

(vi) *Notification of some naval and air activities* may be possible if applied to activities which may be perceived as hostile near the frontiers or territorial waters of another state, or to very large numbers of aircraft. This could include amphibious activities, a major concern of those countries which border on the Soviet amphibious exercise areas in the Norwegian, Baltic or Black Seas. Restrictions on air or naval activities are generally opposed by countries with large naval or air forces. Prior notifications, however, appear to be more palatable and may be included in some future CBM agreement.

(vii) *Inviting foreign observers to military manœuvres* is a voluntary measure listed in the CSCE Final Act which has been implemented with mixed success. Some Warsaw Pact manœuvres have involved Nato observers, whereas all Nato manœuvres have hosted Warsaw Pact observers. The treatment of observers, however, is a major issue, and new methods were tested at Austrian military manœuvres on 16–23 November 1979. Four major issues appear to be involved in any proposed 'code of conduct' for the treatment of observers: (*a*) provision of adequate information before and during the manœuvres, including the manœuvre's purpose, parameters and force composition; (*b*) freedom of movement should be accorded the observers; (*c*) freedom from harassment, which may be defined in terms of inaccurate briefings, faulty equipment, obstructions to movement, personal affronts, involuntary separation of observer teams and personal safety; (*d*) observers should be permitted to carry personal items of equipment, including maps, binoculars and personal items of safety or convenience.

It appears that observer treatment will receive strong support in future CBM fora and may provide an important precedent for international law and diplomacy.

(viii) *Communications between countries* along the lines of a 'hot line'/telex system appears to be quite possible. This may be expanded thereafter to include 'hot lines' between opposing major military headquarters or between opposing units.

(ix) *Ground or air inspections* for the purpose of verifications appear possible in the near future. Presently, military attachés travel within countries in accordance with long-established diplomatic practice. This could be expanded to include specific ground trips or overflights to survey a military installation or activity.

(x) *Information exchanges* on military budgets, forces, stationing plans and related issues may be approved. Much information on Western military forces is already in public view and comparable Warsaw Pact data would provide parties with basic understanding of military postures and intentions.

(xi) *Extension of the geographic areas of CBM* to Europe's periphery generally is sought by countries located in those areas. West Germany's proposal to extend various CBM where applicable to other parts of the world should receive considerable support in the United Nations.

(xii) *Non-interference with national technical means* suggests that no nation will obstruct or jam communications or monitoring equipment. This would ensure the verifiability of CBM-related activities and could provide greater warning of surprise attack.

Summary

From the perspective of the pragmatic policy-maker, CBM reflect a combination of both positive and negative effects. On the positive side, good CBM could give some warning of a surprise attack, enhance knowledge of adversary behaviour, pressure adversaries into more favourable or acceptable patterns of international behaviour, restrict some adversary attempts to coerce smaller countries, maintain momentum for arms limitation and conflict reduction, and serve as precedents for conflict management elsewhere. Conversely, negative aspects of CBM include an unwarranted reduction in defence preparedness, aiding the adversary with greater knowledge of friendly forces, and presenting a false image of significant arms control accomplishments. On balance, in view of the consequences of an arms race in the nuclear age, CBM appear to be well worth the effort. This has come to be the view of the major powers since the 1975 Helsinki Conference, as attested to by the number of CBM proposed in various international fora.

CBM alone cannot resolve the arms race or bring about a peaceful world. They provide, however, the important first steps towards building communications and trust among the powers with the goal of arms control, reduction of tension and a more peaceful world.

Can Poland strike a balance?

PHILIP WINDSOR

CAN one strike a balance in Poland between the forces of change inside the nation and in Eastern Europe, and the need to preserve the degree of cohesion which is still necessary for the maintenance of a stable European order?

The first consideration that one should raise is that the wave of strikes in Poland which riveted the world's attention in the high summer of this year was in no sense a sudden development. The strikes themselves were the outcome of a series of labour stoppages which had been going on in Poland throughout this year and, indeed, well before. The Committee for the Defence of the Workers (KOR) calculated that there had been 121 strikes in Poland in the first seven months of the year; some of these were very mild and desultory affairs, perhaps lasting only a few hours, but others were more serious, including the action of the railway workers in Lublin during the period of the Moscow Olympiad, when they blocked the lines of the Moscow/Warsaw railway. But between July and the end of August these strikes, originally occasioned by economic difficulties, gathered momentum and became the focus and the instrument for other developments which until then had not had very much to do with proletarian movements or economic problems. The development of a flourishing unofficial literature in Poland had been a reality for some time. Poland could hardly be accused of having had a free press in previous years but its *samizdat* publications were representing very many different points of view and engaging in heated debate in the manner appropriate to dissent movements.[1] Yet such dissent movements were not in themselves of the most fundamental importance to what was going on in Poland. A separate movement, which had not achieved any great prominence in the years between 1976 and 1980, was the movement for independent trade unions. It is worth remembering that in Poland workers' councils were created and permitted as early as 1956. But thereafter they were never abolished, they were merely gradually diluted and amalgamated with official trade union representatives and local party officials in the *Konferencia Samorządu Robotniczego*, the so-called Congress of the Autonomy of Labour. In this sense the dilution of the original workers' councils had itself prompted after 1976 a new demand for an independent trade union movement.

Along with these two overtly challenging movements, neither of which at this recent stage of history had achieved any great importance in the determination of Polish affairs, there had developed a series of more fundamental questions which were producing new movements themselves. Such questions included the relation-

[1] For an extended discussion of these questions, see *Survey* (London), Autumn 1979, Vol. 24, no. 4 and Winter 1980, Vol. 25, no. 1.

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ship of the Church to the State, the relationship of the Church to the Party, and the relationship of the Church to the workers' movements. While Mr Gierek was in power, the Church had tried to find a modus vivendi with the Polish government, one which had established a framework of rules accepted by both sides, but in which each side was also trying to find how far it could explore the possibilities of change within the framework. Equally, there were changes in the Soviet management of the Warsaw Pact.

Four major elements

What is suggested is that the strikes provided an instrument, and perhaps a catalyst, which brought these developments together, and that a series of economic discontents became the focus of demands for political and intellectual change. In the emerging picture of the balance of forces in Poland, there were four major elements. The first of these is the Soviet government. Perhaps one might remark in passing that the last achievement of Edward Gierek was to have repatriated the Polish crisis. Just as the home of the Canadian Constitution lies in Westminster, so the home of the Polish crisis lies in Moscow. To determine the conditions of a Polish crisis in Polish terms demands an effort of repatriation akin to that which Mr Trudeau is trying to perform in Canada. In many ways, Gierek did succeed in repatriating the crisis; the warnings that the Politbureau secretary for ideology, Jerzy Lukaszewicz, gave about 'not conveying the impression to our neighbours and friends that Poland is becoming unstable' were even at the beginning well taken—and in many ways the Polonization of this particular kind of Polish crisis was something of a political achievement. In this sense, the first element in the balance of forces in Poland was almost, for a time, suspended at the edge of the Polish developments. In the end, of course, it was the attitude of the Soviet Union which would determine the nature of change in Poland and the question of whether Poland could strike a balance. But in the meantime, the internal developments were hacked out within a particular kind of Polish framework, which other elements in this balance of forces also understood.

The second element in the balance is the Polish government, in the sense that it has itself represented for many years a transitional compromise between elements in the Party. Recently, over the past two or three years, many members of what would normally be thought of as the opposition have joined the party and have tried to articulate alternative policies within the framework of party discussion. In this sense, the party does not represent simply a kind of Soviet tool, but it does not represent a particular kind of Polish entity either. What it does represent is a forum for changes, debates, discussions: the expulsion of a liberal economist but a political hard-liner like Olszowski to East Berlin as Ambassador after the Party Congress earlier this year, and his subsequent recall before Gierek's replacement by Kania—these were characteristic of the way in which the party in Poland had been working over recent years.

The third element in the balance is the Church. The Church (and the presence of a Polish Pope) mattered enormously in determining the outcome and, indeed, the treatment and negotiation of the crisis in Poland. But the Polish Church itself is far

from monolithic—it also represents a balance of forces in its reaction to the developments of a Communist state, and how to relate the questions of social and economic developments to the questions of freedom of religion and of conscience. It is also a highly privileged Church, but at the same time it is unfree in a sense which churches in western Europe obviously are not. One of the strikers' demands, for example, was the freedom to broadcast the Mass. This balance of forces in the external relations of the Church, and in its internal politics, also played a great part in the way that the strikes developed.

The last of the four elements of the balance in Polish society is, of course, the emerging workers' movement. The workers' movement, as already suggested, goes back to the history of 1956, to the way in which earlier dilutions have created new demands and to the outcome of the strikes in Gdansk, Sopot and Szczecin in 1970. It takes a new turn in the developments of the mid-1970s, leading to the demands for independent trade unions in 1976, which were renewed in 1980. But until this year there had been very little evidence of established contacts or any real relationship between the dissident or Catholic intellectuals on the one hand, and the independent workers' movements on the other. It was the strike movement itself which brought this kind of contact about.

The international environment

Within this balance of forces, the wave of strikes concentrated a set of mutually reinforcing symbols in Polish politics by bringing together the various movements which until then had been disparate. A fundamental change was going on in Polish society. But how can this change be defined? What are its scope and limits?

It was suggested earlier that this has to be seen from Moscow. One major cause of the form which Polish developments took this summer was that Moscow itself has been in a very peculiar position. In a straightforward Cold War, where East and West are totally at loggerheads and there is no prospect whatever of salvaging any form of détente, it would be very easy for the Soviet government to refuse what the Poles were requesting; it would have been *relatively* easy for them to have threatened military force. On the other hand, in a period of more or less total détente, it is also not too difficult for the Soviet Union to threaten force or other means of pressure. After all, the invasion of Czechoslovakia occurred at a moment when détente was on everybody's lips, and the Soviet government was quite right in calculating that it could get away with the invasion of Czechoslovakia and preserve the process of détente. Michel Debré said that traffic accidents could not be helped!

The extremes of Cold War and the extremes of détente would both have given the Soviet Union very much more room for manœuvre than it actually had in the political and historical circumstances of 1980. In 1980, there was the whole crisis set off by the invasion of Afghanistan; there was a certain sense of the reglobalization of American policy which had been growing before 1980, but which took a new and precipitate form because of the reaction to the invasion of Afghanistan. Containment became again a form of Western policy, but also a cause of contention between the United States and Western Europe. In consequence the element of

global containment provided part of the policy, but there was also a very strong emphasis and desire on the part of many West European leaders, notably the West German Chancellor, Helmut Schmidt, to preserve a working relationship of détente in Western Europe (a very strong argument, incidentally, that the relationship between the overall framework of containment and the intermediate framework of European relations must be worked out again). A form of balance between détente and containment was being struck in the Western Alliance, and in the relations of the West European states with the Soviet Union, in the period before the strikes took the catalytic and symbolic form they did in Poland. And it was in this particular international situation that the Soviet Union had much to lose from intervening in too abrupt or brutal a manner in the affairs of Poland. Helmut Schmidt put the point very neatly when he remarked: 'Not to interfere in the affairs of another sovereign state is not a mark of restraint, it is the norm.'

The Soviet Union was, in fact, being brought back to the norm by the contending pressures of needing to preserve a degree of détente in Western Europe, while at the same time it had to tread very cautiously in risking further confrontation with the United States. In this sense, Poland was just lucky. Nobody had planned it. It so happened that Poland went through this particular period of fundamental change, with a new relationship between all the forces at work in the society, at a time when the international situation favoured a stand-off approach on the part of the Soviet Union itself. Perhaps the miracle bordering on catastrophe that has happened in Poland has more elements of a miracle than of immediate catastrophe. But can the balance be held?

A new concordat

The first question, obviously, arises from developments in Poland itself. What is the nature of the balance? It is a balance in which the government has reached what one might call a concordat with the Polish workers. This concordat suggests that the government will not 'dissolve the people and elect a new one' (to paraphrase Brecht's famous poem after the 1953 rising in East Berlin); it is now prepared to find a way of co-existing with an articulate workers' movement representing large sections of the Polish people. But the conditions of this concordat are first of all that the government recognizes certain economic rights and certain political rights. Now these economic rights raise questions. The higher wages and the inflow of subsidies from other Comecon countries, the credits from the Soviet Union and the borrowing from the West, all suggest that the economic rights are expressions of a straightforward economic problem in which the solution is going to aggravate the problem. Quite apart from the possibility that any further strikes in the future will cut down Polish output and exports, the economic situation in Poland is one which is going to be very difficult to deal with if the agreements are kept to. In this sense, to keep to the economic agreement, which is essential for a resolution of the political situation, is also going to make the economic situation, and thereby the political situation, a good deal worse in the not too distant future. On the other hand, of course, to rescind the economic agreements risks immense upheavals with totally unpredictable political consequences. In this sense, the

balance which has been struck and the agreements which have been made are not ones which can be sustained in the long term without at least a very much higher degree of participation between government and people than the present concordat might suggest. In other words, to solve the political problem by agreeing to the economic demands is going to aggravate both the political and the economic problem in the not very distant term.

The second question which arises is, in any case, how to solve the political problem? It depends essentially on maintaining a degree of faith on the part of the government, and obviously, in one sense the government is going to have to convince the Soviet Union that they are double-dealing and to convince the Poles that they are not. But suppose the Polish government feels in the most coldly rational and calculating manner that it is completely necessary to keep as much faith as is humanly possible with the agreements which have been made in Gdansk and which have become the model for the nation, how can it do so without actually aggravating the economic problem in the first place? If it does keep to these agreements, this is certainly going to worsen the economic problem—which might well mean that the political achievement of the right to strike will precipitate more strikes and make the position more unstable. On both the economic front and on the political front, even an attempt by the Polish government to keep faith will, in fact, run the risk of precipitating new difficulties, new incalculable effects within the Polish situation. It is not quite adequate to look at it in the way that many commentators recently have: in terms, that is, of whether the Polish government tricks the people and backtracks. In fact, the very worst question one might have to face is, what the consequences will be if the Polish government *fulfils* all its obligations and how it manages the situation from there. How will the workers react when they find that either the economic or the political brakes have to be applied in order not to provide scope or excuse for either more disturbances or greater degrees of Soviet pressure?

These two interconnected problems also relate to a different one. Can the workers themselves and their new co-ordinating committee abide by an understanding of the situation which allows the government as much latitude as possible? How can that kind of understanding be achieved? If one looks at the record of the advice given to the strikers in Gdansk, particularly by the KOR leaders, one sees that it has been in fact a very important element of the way that those strikes were conducted and the negotiations led.

This means that, increasingly, the precipitation of new factors, the intermarriage of different developments which had been going on in Poland but had not become urgent before, now has to be semi-legitimized, made more or less official. Can one in that sense expect a new kind of official pluralism to replace the unofficial pluralism of previous years? Can one, in fact, allow Catholic advisers from a KOR dissent movement to talk to the co-ordinated trade union movement in Gdansk and then insist on maintaining the leading role of the Party? After all, the whole basis of the concordat is that the government recognize the people in return for the people recognizing the leading role of the Party. The 'leading role of the Party' is in its own terms merely a formula which has been parodied everywhere in Eastern Europe since the developments of 1968 and has

not got a specific meaning: its meaning does not depend on dictionary definitions, it depends precisely on what happens when external forces feel that the role is threatened. Will the Soviet Union tolerate a position of semi-official, semi-legal pluralism and say that that is still compatible with the leading role of the Party? If the stabilization and the balance can only be maintained by allowing more pluralism than the concordat suggests at the moment, and if this kind of creeping legal pluralism becomes part of the Polish system, then it will pose a much more acute question for the Soviet Union than it has done so far.

Dangers ahead

These are three kinds of dangers in the present position. But there are two others which one must mention, albeit briefly. Even if Russia shows the greatest possible degree of understanding and the same interest in Polish stability as everybody else, because of the present nature of the international situation, will it not begin to demand a quid pro quo in the management and the councils of the Warsaw Pact, in the debates and difficulties over the defence budgets of the alliance? Might that rather uneven form of compromise which has been struck within the politics of the Warsaw Pact over several years (although with an increasing degree of Soviet pressure since 1976) not be in danger now through the instrumentality of Poland as part of the price for Moscow's agreement to allow a certain degree of latitude to Poland? And this question raises a more important one, that of the spillover effects of Poland elsewhere. Here it seems that the real dangers to the Soviet Union would lie in the effect on East Germany and Czechoslovakia; but it is astonishing to see how very little impact the Polish example has had since July and August on East Germany, which is traditionally very susceptible to Poland. In Czechoslovakia, a regime which is tough, and bankrupt in all senses but the economic, echoed the language of the 1968 Warsaw Letter itself in expressing its views on Poland. The population, disillusioned and embittered after 1968, shows very little sign of being prepared to react in a volatile manner. But in two other countries which have taken workers' councils and workers' participation seriously, Hungary and Yugoslavia, the Polish example could fuel unpredictable developments.

All in all, there is at present little difficulty for Poland in maintaining some kind of balance, but the balance which has been struck depends on such a combination of circumstances that it is very hard to foresee its continuance into the near future. The Soviet Union is not perhaps likely to escalate its pressure over the next few months. But bit by bit this particular balance, struck at this particular historical moment, will become vulnerable. There could be unpredictable effects elsewhere in Eastern Europe, though not necessarily in the most obvious places. The Polish government itself will be coming up against a degree of Soviet pressure either for a quid pro quo or for not accepting excessive help from the West. But without such help from the West can it survive its particular predicament? All these questions suggest that over the next couple of years or so it is going to be very difficult for Poland to hold the balance of forces both within its own society and in its international position. While one might not yet fear any immediate catastrophe, in a year or two the developments might be catastrophic indeed.

Theme and variations: the foreign policy of France

OTTO PICK

OVER the centuries, the foreign policy of France has been characterized by three fundamental considerations—hostility to an 'Anglo-Saxon' presence on the mainland of Europe, fear of Germany, and an almost pathological compulsion to maintain the ability to act independently. At times, the temporary incompatibility of these goals forced the French to make unwelcome choices and they soon developed unrivalled skills in concluding alliances which left them relatively free from permanent constraints.

Their fears had, of course, deep historical roots. The Plantagenet monarchy soon took its ironic revenge for the Norman conquest and the French experience with their English neighbours during the next few centuries can hardly be described as encouraging. After the apparent solution of this problem by Joan of Arc, the marauding islanders directed their energies to other continents, but the struggle for the balance of power in the closing decades of the seventeenth century and throughout the next hundred years revived the Anglo-French confrontation on a more global scale. The French defeats at Trafalgar and Waterloo brought this phase of Anglo-French relations to a conclusive end, especially as the French became increasingly preoccupied by the more immediate threat from Germany.

Certainly since the days of Cardinal Richelieu, France has tried hard to perpetuate the divisions of Germany, and French antagonism towards the Habsburg dynasty was not only prompted by Vienna's links with Spain but also by the mistaken belief that only the Habsburgs could succeed in creating a strong and united German nation-state. While Habsburg power in Germany never really recovered from the outcome of the Thirty Years' War, which was greatly influenced by French support for the Protestant cause, the consequent rise of Hohenzollern Prussia ultimately produced a much more powerful challenge. Because of past French policies pursued with obstinate determination over a long period of time, Bismarck had little difficulty in rallying most Germans behind Prussia in his made-to-order war against the 'hereditary enemy', and in the euphoria of total victory he was able to persuade Germany to accept unification under Prussian leadership. The events of 1870–1 destroyed one of the fundamental premises of French foreign policy: France had to come to terms with its inability to contain the new Germany. The next forty years were devoted to the quest for allies. The alliance with Tsarist Russia imposed the threat of a war on two fronts on the *Reich*, but the French wanted more. The growth of the German Navy and the simultaneous ill-judged attempts to assert German influence in North Africa persuaded Paris that it should seek an ally with global maritime capabilities. A genuine reluctance to encourage

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an active British involvement in continental affairs could no longer be reconciled with the need to balance the mounting strength of Germany—a choice had to be made, but it was made without much enthusiasm. The *Entente cordiale* has never suffered from an excess of cordiality.

In the event, despite the British connexion, the war extorted disproportionate sacrifices from the French, particularly as Germany's defeat in 1918 proved to be only temporary. Faced with the resurgence of German power under Hitler and the virtual disintegration of their alliances with the weak and divided successor states of Central and Eastern Europe, the French went back to the policy of trying to enlist Russian help against Germany. However, the arrangements concluded in 1935 turned out to be abortive and futile, not only because of the inability of the unstable governments of the Third Republic to project a credible foreign policy, but also because of the ambivalence of Soviet attitudes and British suspicions of Soviet motives and capabilities. By 1939, Britain was France's only ally, and it was the British who played the leading part. The alliance with Britain failed to save France from complete defeat in 1940. The British survived to fight again, but the French had to experience the trauma of German occupation and of 'liberation' by the Americans and their British allies.

A new situation

General de Gaulle was not the only French politician to draw the obvious conclusions from the French experience in the first half of the twentieth century. He was, however, the most consistent, the most articulate, the most persuasive and, finally, the least flexible advocate of the view that France must rely only on its own exertions and capabilities to preserve its national security. However, times had changed. The Americans now assumed to some extent the role which the British had played with scant success before the war—they became France's major ally and for the time being the sole effective guarantor of French security. The recognition of this basic fact led France into the Atlantic Alliance in 1949, at a time when the country's own defence potential was almost extinct. At the same time, for de Gaulle and his followers, the Americans also replaced the British as the major 'Anglo-Saxon' power whose influence in continental Europe had to be limited.

The situation was further transformed by the decline of Europe, the emergence of the Soviet Union as a super-power and the first tentative moves towards West European integration. The German question now appeared in a new light. The division of Germany brought about by the Cold War appeared to have undone the verdict of 1871. The Russians were in full control of East Germany and could be counted upon to keep an eye open for any signs of German military resurgence. Within the process of European integration, France could play its full part in monitoring the economic reconstruction of West Germany. Men like Monnet and Schuman advocated the concept of European unity from genuinely idealistic motives, but it was not without significance that the first step on what is proving to be a very long road was the setting up of the European Coal and Steel Community, which placed the West German steel industry under a High Authority with supranational powers. However, the parliamentarians of the Fourth Republic

could not stomach the idea of a European Defence Community with German participation and, although it had originated in Paris, the Pleven Plan went down to defeat in the French National Assembly in 1954. Although the French clung to their notion that the main purpose of European institutions was to contain West Germany, they were overtaken by events.

The German question[1]

The military imbalance between East and West in Europe and the successful reconstruction of the West German economy persuaded the Americans that the Federal Republic should make a significant defence contribution and in 1955 West Germany became a member of the Atlantic Alliance. The special protocols, which bar the Federal Republic from manufacturing nuclear weapons, were intended to reassure the French, the Russians and other European nations. Opinion in Paris in nuclear matters has remained unchanged, as far as Germany is concerned. The deployment of the new Pluton tactical nuclear missile in 1975 caused considerable commotion in Paris when the French Communist leader, Georges Marchais, accused the government of intending to station some of the new weapons in Germany; the Foreign Minister had to state clearly in the National Assembly that there 'was no intention whatever to instal them in the Federal Republic'.[2] Only a year ago, despite the closeness of the present relationship between Paris and Bonn, President Giscard d'Estaing rejected 'categorically' the possibility of even discussing the acquisition of nuclear arms by the West Germans or sharing the *force de frappe* with them.[3]

France thus finds itself in an ambiguous position in its relationship with Germany. Despite the constant interaction between Paris and Bonn, the historical French mistrust of Germany's military purposes obviously survives. Yet there is little the French can do to affect the Federal Republic's military ties with the United States, and the relative ease with which the West German Social Democratic Party (SDP) agreed to accept the American proposal for the modernization of Nato's theatre nuclear weapons again underlined that, despite Chancellor Schmidt's reservations about the Carter Administration, the Atlantic orientation of West Germany's defence policy remains paramount.

French attitudes to détente have their origin in de Gaulle's attempts to establish close relations with the Soviet Union in the post-war years. In some ways, this was a reversion to the policies of 1893 and 1935 of trying to contain Germany by acquiring allies on its Eastern frontier. From the Soviet view, the main benefit derived from encouraging de Gaulle's *Ostpolitik* was to irritate the Americans. As far as Western Europe was concerned, the Federal Republic was seen by the Russians as a much more significant negotiating partner. The true state of the power relationship between France and Germany was obscured for many years by Gaullist rhetoric and by Adenauer's curious subservience to France, but after the

[1] See Jonathan Story, 'The Franco-German alliance within the Community', *The World Today*, June 1980.
[2] See Marie-Claude Smouts, 'Du Gaullisme au Néo-Atlantisme', in A. Grosser *et al.*, *Les politiques extérieures européennes dans la crise* (Paris: Presses de FNSP, 1976), p. 90.
[3] In a press conference on 17 September 1979.

evénements of May 1968, romantic fiction had to give way to hard fact. The SDP was less impressed by French pretensions than Adenauer's Christian Democratic Union (CDU) and soon developed its own range of policies.

Yet France and West Germany are, without doubt, the dominant powers in Western Europe and, even though the French position is at times ambivalent, their co-operation has become one of the permanent and fundamental factors of European politics. In historic terms, this major achievement represents a positive revolution in French foreign policy, which appears to justify at least some of the optimism of the Founding Fathers of the European Community. The relationship works particularly well at the moment because of the bonds of personal empathy between President Giscard d'Estaing and Chancellor Schmidt, but there is little doubt that it will survive even in the unlikely event of either of them not winning his next election.

The British problem

Welcome as the warm friendship between Paris and Bonn must be to the international community at large, there is the danger that it may lead to a feeling of isolation in Britain. There are already signs that Mrs Thatcher is hoping for a revival of the old Anglo-American 'special relationship', but such a policy would only reinforce French distrust of Britain's European policies.

In retrospect, de Gaulle's entrenched opposition to British membership of the European Community appears to have been fully justified, though at the time it was seen as yet another manifestation of an old man's petulant dislike of 'Anglo-Saxon' influence. Certainly de Gaulle thought that by excluding Britain he would limit America's opportunities to interfere in the affairs of Europe. After 1968, however, the traditional French dislike of an institutionalized British presence on the continent of Europe had to contend with a growing awareness that the balance of power within the Community had changed fundamentally in West Germany's favour. Furthermore, the Soviet invasion of Czechoslovakia in 1968 affected the international climate and a more positive attitude towards Western unity seemed to be indicated, if only for a relatively short time.

As a counter-balance to Bonn, the United Kingdom's possible accession to the Community acquired novel attractions as far as the French were concerned. Yet, ironically, the equivocal attitude of the British Labour Party and the intransigence of the Thatcher government have not only proved de Gaulle to have been singularly prescient, but they have also helped to act as a catalyst in cementing the links between Bonn and Paris. Anglo-French relations have reached a very low ebb: the differences are in style as well as in substance and, for the time being, the French can see no conceivable advantage in adopting a more accommodating attitude. On the contrary, as the 1981 election gets nearer, the pressures brought to bear by various vested interests, in particular the farmers, will tend to make Paris even more inflexible. President Giscard d'Estaing seems to share Mrs Thatcher's lack of enthusiasm for the future of the European ideal and if he has made limited concessions, particularly in the vexed matter of Britain's budgetary contribution, he has done so mainly to placate his German partner.

The pursuit of independence

The French attitude towards the European Community differs in one fundamental respect from that of the other members—whenever possible, France prefers unilateral action and bilateral agreements to multilateralism as a way of conducting foreign policy. Thus, for example, the Franco-German Treaty of 1963 was to some extent a tactical move designed to emphasize the virtues of bilateralism and the comparative irrelevance of institutional multilateralism, which characterizes the Western system. The Gaullist indifference to the United Nations has similar roots.

The repercussions of this cardinal theme obviously dominate French relations with the United States and the alliance policies of the Fifth Republic. Since 1945, France has been in need of military protection, while wishing to avoid falling within America's sphere of influence. The Fourth Republic really lacked the economic means to embark upon fully independent policies, but the decision to create a purely French strategic nuclear force was taken well before de Gaulle's return to power. After 1958, the situation became more complex. As a result of Gaullist rhetoric, the pursuit of independence of action became confused with the eternal French quest for glory. In France, at least, it seems to be frequently true that 'accomplished fact will never appease the doubts of whoever aspires to glory'.[4] Most Frenchmen understood and shared the General's preoccupation with the predominance of the nation-state, even though they may not have been able to appreciate the peculiar breadth of his historical vision. In de Gaulle's view, the international system was based on nation-states and the nation-state was to be regarded as the sole repository of loyalty. Alliances concluded by sovereign states are, of course, valuable and essential instruments of policy; but permanent or semi-permanent systems, which impose constraints on the states' freedom of action, are to be discouraged. De Gaulle's successors have tempered this obduracy by adopting more co-operative positions, at least with regard to the European Community, but Giscard d'Estaing has to be careful to avoid a direct confrontation with the still powerful Gaullist party (RPR).

However, after 1958, de Gaulle was able to establish a more realistic set of priorities. Decolonization, particularly the withdrawal from Algeria, served to disengage France from burdensome obligations and left it free to deal with issues on a more global scale. By withdrawing from the integrated military arrangements of Nato, while maintaining French membership of the Atlantic Alliance, de Gaulle managed to eat his cake and have it. He resolved the dilemma, which the Fourth Republic had failed to solve: the American treaty obligation to defend France continues, but the French are able to claim that they have recovered their freedom of action in matters of national defence. To the Americans it seems that de Gaulle insisted that co-operation within the Alliance 'would be effective only if each partner had a real choice; therefore each ally must—at least theoretically—be able to act autonomously'.[5] This typical paradox has been firmly maintained by de

[4] Raymond Aron, *Paix et guerre entre les nations* (Paris: Calmann-Lévy, 1962), p. 82.
[5] Henry A. Kissinger, *The White House Years* (London: Weidenfeld & Nicolson and Michael Joseph, 1979), p. 105.

Gaulle's heirs, especially by Michel Debré. Giscard d'Estaing has never indicated his dissent and is certainly unlikely to do so on the eve of the 1981 election campaign. Indeed, during the crises of 1980 he seems to have gone to great lengths to underline his determination to act independently. France refused to take part in a meeting with the then US Secretary of State, Cyrus Vance, and European Foreign Ministers to discuss common responses to the Soviet invasion of Afghanistan, and this was followed in May 1980 by Giscard's sudden and fruitless journey to Warsaw to meet Leonid Brezhnev to canvass Soviet views on the situation. The surprising unilateral announcement that the admission of Spain and Portugal to the European Community should be postponed can be explained by a wish to please French farmers, but its timing and style represent yet another illustration of French contempt for the principles of multilateralism.

Afghanistan and the Middle East

For the Americans, responses to the events in Iran and Afghanistan have become the touchstone of alliance loyalty, but the erratic and confusing policies coming out of Washington have tended at times to overshadow the extent of the French commitment to 'go it alone'. In the Iranian hostage crisis, the French position does not differ to any marked degree from that adopted by the other members of the European Community: disbelief in the efficacy of economic sanctions is coupled with perplexed anxiety at this gross violation of diplomatic usage and international law.

It was the Afghan crisis which gave Giscard d'Estaing the opportunity to demonstrate his determination to act independently to an alarming extent. In comparison with de Gaulle's firm support for the Kennedy Administration during the Cuban crisis in 1962, the French official attitude eighteen years later appears tawdry and seems to contain elements of 'third force' tendencies. Even though Giscard d'Estaing described the Soviet presence in Afghanistan as 'unacceptable' on television,[6] he took care to emphasize yet again that there was no contradiction between France's loyalty to the Atlantic Alliance and its determination to follow an independent policy. In May he went off for his Polish encounter with Brezhnev, indicating complete disdain for his American ally and for the painful attempts of his European colleagues to arrive at a concerted policy on the Middle East. In the event, the French President achieved very little in Warsaw, apart perhaps from convincing the Russians that, as in the past, the main benefit to be derived from talking with the French was to fluster the Americans and to disconcert the Western alliance. When they wanted to put forward substantive suggestions on easing tension, they did so a few weeks later through Helmut Schmidt. Although the Kremlin found 'the constant and close political dialogue characteristic of Soviet-French relations',[7] the French communiqué had to admit that 'explanations given on both sides had shown positions which rest apart'. Even in France reactions were largely critical. The French Communist Party supported Giscard's initiative and the Soviet Ambassador in Paris congratulated him on 'following the route traced by de Gaulle', but his own party, the UDF, refused to back him and the Gaullists

[6] In a broadcast on 26 February 1980. [7] *Pravda*, 20 May 1980.

joined the Socialists in condemning the President's move. Giscard's Afghan adventure backfired if he had hoped to use it to reinforce his credentials as de Gaulle's heir.

Generally in the Middle East, the French, like everyone else, have had to attune their policy to the pressures generated by the energy crisis. In 1973, their approach differed radically from that pursued by the United States. In the days when the Americans had an energy policy, they pressed for co-ordination among the major oil consumers as a response to the demands of the OPEC cartel. The French preferred to approach the Arab governments on a bilateral basis and to create their own special relationship with Algeria. As the situation in the Middle East began to deteriorate sharply in 1979 and 1980 following the failure of the Camp David accords, it was felt that Western Europe could and should act to defuse matters and to placate some of the most acute Arab grievances. In this context, French interests did not diverge too far from those of their European partners and they were therefore able to point the way for European initiatives. Paris has moved a long way since the mid-1950s. De Gaulle reversed French policy abruptly after the Six-Day War in 1967, when he turned to the Arabs, and moves to open up a dialogue with the Palestine Liberation Organization (PLO) began five years ago with a meeting between Yasser Arafat and the then French Foreign Minister. During his ten-day trip to the Gulf, Jordan and Saudi Arabia at the beginning of March, Giscard d'Estaing prepared the ground for a French trade offensive by stressing his country's support for the principle of Palestinian self-determination. Crown Prince Fahd of Saudi Arabia was right when he described the effects of Giscard's visit to the Gulf as 'foreshadowing welcome and concerted' moves by Western Europe. With the worsening of the situation on the West bank and the hiatus in American policy brought about by the election campaign, the need for other initiatives became obviously more urgent. In taking the lead, the French were moving with the mainstream of European political opinion and their action was generally accepted as a constructive indication of future trends. On the other hand, Giscard's attempt to demonstrate his independence by meeting Brezhnev in Warsaw merely served to isolate France because it had no foundation in the realities of the international situation. What use is freedom of action, if there is nothing one can do?

Defence policy[8]

In the final analysis, the French have always argued that defence is the only true criterion of independence. The decision to create the *force de frappe* was taken by de Gaulle's predecessors, but it was the General who gave precision to the arguments in favour of an independent strategic deterrent. He foresaw an inevitable erosion of the American nuclear guarantee to Western Europe, and it can be argued with some force that this is exactly what has been brought about by the increase in Soviet capabilities. When the Kennedy Administration put forward the doctrine of graduated and flexible response, de Gaulle saw it as a weakening of

[8] See Uwe Nerlich, 'West European defence identity: the French paradox', *The World Today*, May 1974.

America's resolve to use its strategic forces on Europe's behalf. In consequence, the French have always been unyielding in their commitment to the doctrine of massive retaliation and have therefore refused to participate in any negotiations on test bans or non-proliferation. France, therefore, will not take part in SALT III, should that ever come about.

Indeed, the Gaullist preoccupation with massive retaliation has led M. Chirac's party to oppose the development of a French neutron bomb announced in May on the doubtful grounds that this would over-emphasize the tactical aspect of nuclear weapons; in their view, France should accelerate the already impressive programme of modernizing the *force de frappe*. The Gaullists argue that to devote more resources to developing weapons intended for limited nuclear war is to move closer to the Nato concept of flexible response and gradual escalation.

In one important respect the French have already moved away from the ideal of a nuclear deterrent to be used for purely national purposes. The doctrine of 'enlarged sanctuarization', announced in 1976, presents the *force de frappe* as a French contribution to European defence and some commentators regard it as part of a possible response to new Soviet weapons targeted against Europe, such as the SS-20 and the *Backfire* bomber.[9]

If that is so, then the French refusal to take part in SALT III, which was expected to discuss weapons located in Europe, is illogical.[10] However, the Soviet Union now seems to be prepared to talk about nuclear arms in Europe directly with the Americans and to leave the French and British nuclear forces out of the discussion for the time being. The Americans, who have in the past been generally critical of French nuclear ambitions, have now come to regard the *force de frappe* with more favour as a reinforcement of the European nuclear balance.

The linkage between the various stages of the strategic arms limitation talks and the overall process of détente seems to have become irrelevant after the Soviet invasion of Afghanistan and the subsequent US decision not to submit SALT II for ratification by the Senate. France had welcomed SALT II as a manifestation of détente—a trend which the Fifth Republic has generally tried to encourage. Support for détente stems partly from the Gaullist resentment of bloc alignments, which were seen as restricting the nation-state's freedom of action. Giscard's rather futile gesture of going to meet Brezhnev in Warsaw was to some extent a demonstration of France's continuing commitment to détente. However, now that the pure waters of Gaullist doctrine have been muddied by the shifts in official French thinking about nuclear doctrine, the task of reconciling the demands of *Realpolitik* with the claims of Gaullist orthodoxy may become increasingly difficult.

[9] See Gen. Pierre M. Gallois, 'The future of France's Force de Disuasion', *Strategic Review* (Cambridge, Mass.) Vol. VII/3, pp. 34–41. Gallois stresses the European context of the French capability: 'France is the only European power that could some day supply its neighbours with the instruments of their ultimate defence in the nuclear age.' (p. 38)

[10] For a full discussion of French nuclear policy, see Pierre Lelouche, 'SALT and European security: the French dilemma', *Survival*, January/February 1980.

Namibia—elusive independence

MICHAEL SPICER

CURRENT attempts to resolve the Namibian dispute derive from the decision in early 1977 of the new Carter Administration and the then Labour Government in Britain to upgrade the priority of their Southern African policy by actively and concurrently seeking settlements to the Southern Rhodesian and Namibian questions and progress towards power-sharing in South Africa. Rooted in a commitment to pursue human rights, this resolve reflected not only their continuing unwillingness and inability to endorse the preferred Southern African policy of the majority of nations at the United Nations, namely open support for the forces of black nationalism and mandatory sanctions against South Africa, but also the realization that continued resistance to that policy, advanced with increasing urgency after the failure of Dr Kissinger's Southern African shuttle diplomacy, required the initiation of a credible alternative approach.

The initiative launched in April 1977 by the ambassadors at the United Nations of the then five Western Security Council members (the United States, Britain, France, West Germany and Canada) to obtain a settlement to the Namibian dispute on the broad lines set out by previous UN resolutions, resulted in a United Nations plan which is still under discussion. In September 1980 the differences separating the parties to the dispute have been narrowed considerably, yet a settlement seems as far off as ever.

Namibia[1] has been in dispute between South Africa and the United Nations since 1946 when the South African Government refused to enter into a Trusteeship Agreement with the UN after the dissolution of the League of Nations, and continued to administer the territory according to its interpretation of the original League Mandate. Under successive Nationalist governments, this involved the application of the policy of separate development which the UN condemned in South Africa. Unable in the 20 years after 1946 to establish its responsibility and so help prepare the territory for the independence other former mandated territories were coming to enjoy, the General Assembly finally voted in October 1966 to terminate South Africa's mandate and to vest responsibility for administering it in the United Nations. In May 1967 the UN Council for Namibia was established, in March 1969 the Security Council called on South Africa to withdraw from Namibia, and in October 1971, on the basis of an advisory opinion by the International Court of Justice, it declared South Africa's continued occupation of the territory to be illegal.

The drive for independence within the territory was led by the South West Africa People's Organization (SWAPO), formed in 1960 by Sam Nujoma when he converted the labour-oriented Ovamboland People's Party into a nationalist

[1] In June 1968 the name of the territory was changed by the UN to Namibia, though South Africa still refers to it as South West Africa or South West Africa/Namibia.

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movement. Nujoma soon afterwards left the territory to build up SWAPO's external leadership and in October 1966 he announced that SWAPO would seek to liberate the territory by force, since constitutional change was being frustrated by South Africa. The reality of SWAPO's policy for an independent Namibia and the degree of support it enjoys has been hard to gauge accurately. As its guerrilla campaign intensified (the conflict is still at a low level when compared to the war in Zimbabwe) and as SWAPO, like other African nationalist movements, turned to the East for its arms supplies, its rhetoric became increasingly strident and Marxist-oriented. The volatile personality of Sam Nujoma has had much to do with that. But the continued existence of a legitimate though harassed internal wing of the movement, sometimes at odds with the harder-line external leadership but widely supported by the territory's churches, has operated as a moderating influence.

Many Namibians have been alienated by SWAPO's public ideology and by its violence, often directed at civilian targets. Also, the predominance of Ovambo supporters in the movement (the Ovambo tribe situated in the north of the territory on the border with Angola where the war is being fought constitutes 46 per cent of the total population of just under one million) is perceived as a threat by some members of the ten other ethnic groups of the population. Together with South African promotion of traditional leaders this perception has stimulated the formation of a multitude of small parties. Thus, despite the fact that SWAPO enjoys considerable, if not majority, support amongst the 'non-white' population as the major historic nationalist movement, the General Assembly's recognition of SWAPO's claim to be 'the sole and authentic representative of the Namibian people' (Resolution 31/146 of 1976) has greatly complicated negotiations over the future of the territory.

South Africa's shifting perspective

By 1975, prompted by the end of Portuguese colonial rule in Angola and Mozambique, South Africa had come to accept that some form of independence for Namibia was inevitable. But it was naturally loath to jeopardize what it considered to be vital political, strategic and economic interests in the territory. The ideal solution was seen as a stable, ethnically based and friendly government that would obviate the domestic political repercussions of a radical regime, allow Namibia to remain as a buffer against external attack on the Republic and permit continued South African access to the mineral wealth of the country. It was to this end that the South West Africa National Party, affiliated to the ruling South African National Party, launched the Turnhalle Constitutional talks with representatives of all the ethnic groups, but without SWAPO, in September 1975. By 1977 the Conference had produced proposals for the establishment of an interim assembly which would lead Namibia to independence by 31 December 1978 under a constitution providing for a three-tier, ethnically based government.

South African opinion on the future of the territory, however, was never entirely monolithic. The military particularly, who under Mr P. W. Botha were to assume prominence in policy formulation, were divided as to the merits of an advance

defence posture against the perceived Marxist threat to the Republic. Some favoured a withdrawal from the territory and the use of the Orange River as the Republic's forward defence line. A few even argued that a SWAPO government, provided it was reasonably stable, would be less of a threat to South African interests than commonly thought, since economic necessity would dictate pragmatic domestic and foreign policies. But the latter view had to contend with the almost universal equation by Namibian and South African whites[8] of black nationalism with Marxism, a perception only strengthened by the official ideologies of the new governments in Angola and Mozambique, and the presence of thousands of Cuban troops in Angola; Soviet links with SWAPO placed the movement beyond the pale.

Decidedly ambivalent feelings towards Angola itself complicated matters. There was much bitterness at the failure of the South African incursion during the civil war of 1975–6 to prevent the Marxist MPLA movement from seizing power with the help of the unprecedented Cuban intervention, a failure, it was believed, entirely due to the West's withdrawal of support at the critical moment. Since there were those in the South African Establishment who thought of Angola as unfinished business, it has never been clear whether South African support for Jonas Savimbi's UNITA movement was intended primarily to pressure Angola into reconsidering its close relationship with SWAPO, or whether there were real aspirations of altering the Angolan dispensation.

Reactions to the Western initiative

When the five Western powers launched their initiative in April 1977 by informing South Africa that the Turnhalle proposals were unacceptable to the international community, they encountered resistance and a marked lack of trust on all sides. A majority at the UN saw the Five's initiative as an attempt to bail out South Africa and help it set up a neo-colonialist regime so as to preserve the West's own considerable interests in the territory. The use at the UN of the pejorative epithet 'The Gang of Five' vividly expressed this attitude, which of course SWAPO shared. In turn, South Africa felt that the equity of the negotiations and the impartiality of the United Nations were gravely threatened by the unjustified status which the General Assembly and UN organs continued to confer on SWAPO by resolutions and material assistance. The argument that Western governments had never accepted SWAPO's claim and that the Secretary-General and Security Council were not bound by the Assembly's resolutions was publicly ignored, for the accusation of UN 'bias', though deeply felt, was often a convenient excuse for delay. South Africa also bitterly resented the thrust of the Carter Administration's Southern African policy. The domestic turmoil of 1976–7 which culminated in Western support for the mandatory UN arms embargo of November 1977, soured negotiations; and progress was further impeded by friction between South African officials and Donald McHenry, the chief US negotiator and the Western diplomat most actively involved in the initiative.

[8] Of some 100,000 whites in the territory, approximately two-thirds are Afrikaans speaking, one-quarter German speaking and the remainder largely English speaking.

Despite all these problems, three months after the Five had embarked on an intensive round of talks with South Africa in order to persuade it to abandon the Turnhalle proposals and embrace Security Council Resolution 385 of 1976,[3] and barely two months after these proposals had been approved by an overwhelming majority of the territory's whites, Prime Minister Vorster agreed to 'set them aside'. He was motivated by a desire, still evident today, to avoid damaging trade sanctions and an escalating, increasingly costly and unpopular war by seeking a settlement agreeable to both the people of Namibia and the international community.

But South Africa also continued to keep its options on the territory's future open. It indicated that the Turnhalle deadline for independence, 31 December 1978, still stood and that the status of Walvis Bay, the territory's only deep water port, would not be a subject for negotiation: while the representation of the rest of the territory in the South African Parliament was terminated, that of Walvis Bay was retained, and the port was returned to the Cape Province for administrative purposes. South Africa's right to continued control of Walvis Bay was legally sound, since the port had been annexed by Britain in 1878, incorporated in the Cape in 1884 and in the Union of South Africa in 1910, and excluded from both the League Mandate and South West Africa as an international territory. But as economic logic seemed to dictate that the port be part of an independent Namibia, South Africa was prepared to consider some arrangement with a friendly government; it would not, however, countenance the threat that a SWAPO government granting Soviet or Eastern bloc access to the port would pose to the Republic's security and the Cape sea route.

At the same time, strong white opposition did not prevent South Africa from launching an attack (revolutionary in South African terms) on the discriminatory legislation it had itself established in Namibia. The Administrator-General, Mr Justice H. T. Steyn, appointed by Mr Vorster in place of the Turnhalle-proposed interim assembly, abolished during the remainder of 1977 alone the Pass Laws, the Immorality Proclamation, the Mixed Marriages Ordinance and separate 'Bantu' education. Finally, South Africa groomed its preferred candidates for power. It wound up the Turnhalle Conference and encouraged its delegates to form a multi-racial alliance party known as the Democratic Turnhalle Alliance (DTA). The majority of the South West Africa National Party considered South Africa's new multi-racial strategy too great a threat to their power and privileges and refused to join the DTA, forming instead the Action Front for the Retention of the Turnhalle Principles (AKTUR). A minority, under Mr Dirk Mudge, broke away and joined the DTA alliance, of which Mr Mudge became Chairman.

The Five's proposals

In early February 1978, the Five tabled a set of proposals which provided for free and fair elections, under UN supervision and control, for a Constituent Assembly which would draw up and adopt an independence Constitution; the

[3] This called for UN supervision and control of elections to be held in the whole of Namibia as one entity.

appointment of a UN Special Representative, together with a UN Transition Assistance Group, to ensure the establishment of conditions that would allow elections as required by Resolution 385 (1976); the repeal of all discriminatory or restrictive laws; the release of all Namibian political prisoners or political detainees held by the South African authorities; the return of all Namibians from outside the territory; the cessation of all hostile acts, with restriction of South African and SWAPO armed forces to bases under UN monitoring; the phased withdrawal from Namibia of all but 1,500 South African troops and the demobilization of the citizen forces, commandos and ethnic forces; and the maintenance of law and order.

The proposals were rather ambiguously phrased, particularly on matters relating to security, since the Five wished to avoid specifics before the parties were more firmly bound to the settlement process. But disagreements predictably surfaced sooner rather than later. In order to minimize SWAPO's military advantage after the cease-fire over other political parties, it was in South Africa's interest to retain as much control as possible over the administration and security of the territory and to limit the role of the United Nations. The converse was true for SWAPO, which was consistently advised by the Soviet Union not to trust the West or South Africa and to pursue the war, advice which SWAPO took while blowing hot and cold to the initiative according to its estimation of its electoral chances. On 25 April 1978, South Africa accepted the proposals, while Mr Nujoma waited for more favourable terms. When on 4 May South Africa launched a major attack against a SWAPO base at Cassinga in Angola in response to SWAPO's continued guerrilla campaign (Chief Clemens Kapuuo, the President of the DTA and widely respected leader of the Herero people, had been assassinated in Windhoek on 27 March), SWAPO broke off negotiations.

But the 'front-line states', despite what they considered to be South African provocation, were anxious that the proposals be given a chance to succeed. Frustrated by Mr Nujoma's stubbornness, they released a potential rival, Mr Andreas Shipanga, and other dissident SWAPO members, whom they had previously held at Mr Nujoma's request, in order to pressure him to resume negotiations.[4] In early June Mr Nujoma rejoined the talks and the Five, having made some concessions to his position, presented their proposals to the Security Council. On 27 July the Council accepted the proposals which henceforth became the UN Settlement Plan, and asked Dr Waldheim to report on implementation. The Council also unanimously approved a second resolution declaring Walvis Bay to be an integral part of Namibia and giving the Council's full support to measures necessary to ensure early reintegration in Namibia, pending which South Africa should not use the port in any way prejudicial to the independence of Namibia or the viability of its economy.

South Africa resented the concessions made to SWAPO and was particularly annoyed at Western support for the Walvis Bay resolution which it took to be a shift away from earlier Western assurances to South Africa that the status of the

[4] Mr Shipanga formed a new party, SWAPO-Democrats (SWAPO-D), which opposed Mr Nujoma and SWAPO's methods but shared essentially the same political platform.

port should be left over for negotiation between South Africa and the independent Government of Namibia.[5] Other factors tipped the balance in favour of those in South Africa who argued against proceeding with the UN settlement plan: the tension generated within the National Party by the unfolding Muldergate scandal, the continued General Assembly and Security Council practice of condemning South African raids whilst ignoring SWAPO military activities, a major SWAPO attack on a South African army base after SWAPO had just committed itself to the UN plan, and the Secretary-General's implementation report of 30 August 1978, all contributed. The last, in proposing an UNTAG peacekeeping force of 7,500 troops, a civilian team of about 1,200 officials and 360 police, and elections seven months after acceptance of the proposals, foresaw not only a much closer UN supervision of South African administration of the territory during the electoral process than South Africa was then prepared to admit, but also the breaching of the 31 December 1978 independence deadline.

Pretoria-sponsored elections

In his resignation speech on 20 September 1978, Mr Vorster told a press conference that South Africa would unilaterally call an election in Namibia for an Assembly which would be free to consider all options. On 29 September the Security Council adopted Resolution 435 which approved the Secretary-General's implementation recommendations and condemned the proposed South African-sponsored elections. The impasse reached was not resolved by the unprecedented visit to Pretoria in October of the Foreign Ministers of the five Western powers.

This was a crucial juncture, for it illustrated the limits of the Five's ability to extract concessions from a country which was the de facto administrator in Namibia and the dominant regional military and economic power, and which, in the anti-Western and anti-UN mood of the time, was willing to face the threat of economic sanctions. The South Africans, though, calculated correctly that the Five were not yet prepared to adopt measures which were prejudicial to so many of their own interests and which were bound, given South Africa's determination, to have serious regional repercussions.

Although neither SWAPO nor the moderate anti-South African internal parties —the Namibia National Front (NNF) and SWAPO-D—participated, the December elections produced an encouraging result for South Africa. In an 81 per cent poll the DTA won 82 per cent of the vote and 41 out of the 50 Assembly seats. After Mr Mugabe's victory in Zimbabwe, these figures may look less impressive than they did at the time, but SWAPO was bound to respond to the establishment of competitors for power. Although at the time it was estimated that SWAPO had only a few hundred guerrillas operating in Namibia, all bases being situated across the border in Angola and Zambia, Mr Nujoma demanded five bases for a total of 2,500 troops in Namibia for the crucial run-up to elections after the cease-fire. He also rejected UNTAG monitoring of SWAPO bases in Angola and Zambia, the latter offering their own monitoring operation in place of one which

[5] Though the Five's position in September 1980 reflects the earlier assurances, there does seem to have been a certain ambivalence on the status of Walvis Bay at the time.

they argued would be an infringement of their sovereignty. Dr Waldheim's report to the Security Council on 26 February 1979 containing proposals for the detailed implementation of Security Council Resolution 435 accepted, in a modified form, both these points and was less favourable to the South African position than a detailed implementation plan which General Hannes Phillip, the then UNTAG force commander, had drawn up in January with South African military advisers.

South Africa was convinced that the United Nations and the West were conspiring to alter in SWAPO's favour the proposals it had accepted in April 1978. It refused to contemplate implementation of terms which SWAPO could use to establish a large number of guerrillas in the territory whose presence might be construed by the electorate as evidence of SWAPO's strength and South African capitulation. Therefore, on 7 May 1979 it rejected Dr Waldheim's report.

New factors

With one major exception, international conditions conducive to South African acceptance of the UN plan improved after May 1979. Whilst the US, faced by other pressing problems and a measure of disillusionment with its Southern African policy, took a back seat in the negotiations, Britain under the new Conservative Government took the lead, displaying a determination to resuscitate the initiative and a greater awareness of South African sensitivities.

The front-line states, too, were more anxious to reach a settlement. The acute economic and political problems of Angola in particular required an end to the massive South African raids against SWAPO bases and some Angolan targets and to South African support for UNITA, as well as the opening of trade links with the West. SWAPO, considerably weakened by the South African attacks mounted to combat its own campaigns, by a disintegrating internal leadership, and, in mid-1980, by defections and expulsions from the external party, was less able to resist front-line pressure.

After February 1980, the West and the front-line states agreed that haste should not be allowed to threaten the gains promised by Zimbabwean independence. The Five were therefore prepared to give South Africa time to assess the implications of Mr Mugabe's victory, and the front-line states to use that time to persuade SWAPO of the merits of a settlement. They now argued that the precise terms on which SWAPO fought an election were less important than previously thought, since ZANU's landslide victory had been won on terms considered unfavourable. But they also impressed on SWAPO that until they had taken the immediate steps and implemented the long-term plans they hoped would render them less dependent on South Africa and less vulnerable to its economic and military strength, they wished to avoid a confrontation with South Africa.

President Neto of Angola broke the impasse in the negotiations just before his death in September 1979. He suggested to Dr Waldheim the establishment of an UNTAG-monitored demilitarized zone 50 kilometres either side of the Namibia-Angola and Namibia–Zambia frontiers for the duration of the transitional period, a suggestion aimed at meeting both South African and Angolan security concerns (since the DMZ would limit the chances of SWAPO infiltration into Namibia and

make UNTAG monitoring more effective but would also cut off UNITA's South African supply line).

A year later, as a result of the favourable factors referred to, South Africa had gained a greater role for the DTA, NNF and SWAPO-D in negotiations, the dropping of SWAPO's claim to bases in Namibia, approval for the retention of 20 bases in the DMZ for 12 weeks after the cease-fire, a more effective deployment of UNTAG in the DMZ and acceptable arrangements on the closure of SWAPO bases and disarmament of SWAPO personnel after the election. Yet it has only given qualified acceptance to the UN plan and raised as a major issue impeding settlement the question of UN 'bias'.

Persisting South African doubts

The conversion of the 'Constituent' Assembly into a 'National Assembly' with limited powers of internal self-government in May 1979 was marked by strong opposition from AKTUR who were determined to fight the DTA's attack on racial discrimination. The Administrator-General's open identification with the DTA's policies contributed to AKTUR's alienation. Mr Botha sensed the dangerous repercussions this could have in his struggle with the South African Right, and replaced Justice Steyn with Professor Gerrit Viljoen, an ambitious modernizing Afrikaner sympathetic to his own policies, but whose power as Chairman of the Broederbond would bring AKTUR into line.

Professor Viljoen fulfilled his mandate, but the promise of an election for the old white Legislative Assembly as part of the promotion of 'second-tier' ethnic representative authorities was one of the assurances which was required to placate AKTUR. There is a considerable risk that AKTUR may outvote Mr Mudge's Republican Party in the November election ending any chance of building up the credibility of the DTA multi-racial dispensation and fatally undermining South Africa's plans. The failure of a secondary line of policy South Africa had been toying with, the establishment of a 'third force', also encouraged delay. Andreas Shipanga's SWAPO-D and the NNF alliance of small liberal parties had consistently refused to participate in the South African-led constitutional development of the territory. But the breakdown of long planned moves to unite the two parties in April 1980 was followed by recrimination and defections in SWAPO's direction, thus ending the possibility of a consolidated centrist force holding the balance of power between SWAPO and the DTA.

In the last resort, however, it was the crushing defeat of the 'moderate' and South African-backed candidate in the Zimbabwean independence elections, Bishop Abel Muzorewa, that ensured further South African procrastination. Overnight faith in the ability of the DTA to win an election was placed in doubt. Whilst South Africa might have come to accept the argument that Mr Mugabe was the best hope for stability in Zimbabwe (and his ascendancy over the extremists is by no means yet assured), Mr Nujoma was not, it was argued, a man of the same calibre and could not be expected to be similarly pragmatic. Under the circumstances, and this was the overwhelming consideration, there was a real danger that a SWAPO victory would endanger Mr Botha's own political survival.

It is hard to discern whether South Africa has a more concrete strategy than to continue devolving power in Namibia whilst hoping that time will remove the present obstacles to an internationally acceptable settlement. There does seem to be some interest in the idea of a Lancaster House type conference, partly to give the internal 'leadership' parity of status with SWAPO. There is also evidence of wishful thinking that South Africa's current exceptional economic strength[6] will persuade its problem-beset neighbours to agree on a settlement excluding the United Nations and unfavourable to a greatly weakened SWAPO. But apart from the lack of parallels with Zimbabwe, that is not what Mr Mugabe had in mind when he recently offered to host a Namibian round-table conference, and South Africa's present strong hand may deteriorate as increased domestic unrest makes an escalating and unpopular war hard to sustain.

The negotiation's major outstanding issue is the absence of the will to settle on the part of South Africa and SWAPO. The Five and the front-line states, torn by conflicting interests, lack the real leverage to compel their reluctant protégés. The West is sensitive to Soviet, East German and Cuban activities in the Third World, and to the supply of strategic minerals from South Africa and Namibia, important in defence, industrial and energy applications. However, a solidarity conference held by SWAPO in Paris in September with the support of UN agencies and the OAU, and the forthcoming Namibia debate in the UN General Assembly, will put the West under considerable pressure. The restraining influence of West German and US elections will be over by the end of 1980 and it seems unlikely that the results will shift Western policy in South Africa's favour as it is hoping. Further, though the need of the front-line states for a settlement may be as pressing as ever, growing SWAPO militancy supported by the Third World and the Soviet bloc will almost certainly require a hardening of attitude towards the negotiations. If a settlement is not reached some time in 1981, the West may find it difficult, though not impossible, to avoid the slippery slope of sanctions.

The collapse of negotiations, imposition of sanctions and extension of the war would give the Soviet Union a better chance of obtaining a favourable outcome in Namibia than has been the case in Zimbabwe, whilst providing a continuing source of embarrassment for the West in Southern Africa (a major emphasis of Soviet African policy). There is no evidence that the Soviet Union is promoting a regional confrontation in which it or its proxies could intervene (the Cubans have been conspicuous by their absence so far during South African incursions in Angola). But although such a confrontation would obviously be against the interests of all, it cannot be ruled out as a possibility.

Given the history of the Namibian dispute and the Five's initiative to resolve it, there seems little hope of an early settlement. Equally, the five Western powers are unlikely to abandon their efforts whilst there is a glimmer of hope that they might succeed.

[6] See J. P. Blumenfeld, 'The South African economy: potential and pitfalls', *The World Today*, September 1980.

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Notes of the month

THE GULF WAR

LESS than a year after the late Shah intimidated Iraq into signing the Algiers agreement in 1975, the US Senate took an exhaustive look at Iran's armed forces and concluded that it was 'unlikely that Iran could go to war in the next five to ten years with its . . . sophisticated weapons . . . without US support on a day-to-day basis.[1] Had the then Iraqi strongman, Saddam Hussain, known this before being forced to concede territorial claims, he may not have embraced the Shah in front of the Arab Heads of State gathered in the Algerian capital. The Shah held a strong hand with his effective control over the Kurdish rebellion in northern Iraq, but Saddam, like almost everyone else at the time, was also the victim of the Shah's carefully nurtured myth of imperial strength.

On 17 September 1980, Hussain renounced the Algiers agreement and became the victim of yet another myth—this time the widely held belief that the Iranian revolutionary regime was on the verge of disintegrating. All that was needed was a well-timed push. It quickly became evident, however, that Iran, though thrown into confusion by Iraq's surprise attack of 22 September, was very far from falling apart. There is little doubt that the Iran–Iraq war, started at Iraq's initiative, was a miscalculation and that somewhere along the line someone would have to pay the price for this tragic and costly mistake. Hussain had much at stake in the outcome of the war—certainly more than the Iranian regime which looked upon itself as the aggrieved party.

The Iraqi President in recent years has made no secret of his ambitions in the Gulf and the Arab world. With Egypt's President Sadat hobbling off centre stage after the Camp David Accords, Hussain saw himself as the new fulcrum of Arab military and political affairs—perhaps even the natural heir of Nasser. And with the Shah gone and Iran in apparent disarray, the way to regional leadership lay through supremacy in the Gulf. To be sure, the Iranian revolution of February 1979 itself represented a threat to almost all the established regimes of the area, a threat which could not easily be ignored and which would prompt almost every Gulf leader to cheer Hussain on.

The Iraqi President did not get to the top through wishful thinking. Had he foreseen the destruction of Iraq's oil facilities and economy, he would no doubt have done everything to prevent an open war. Indeed, his decision to challenge Iran appears to have been more carefully measured than subsequent events would indicate. There are some signs that Hussain publicly threw out the Algiers agreement only after his troops had tested Iran's will by taking effective control of some of the disputed land east and north of the Shatt-al-Arab. With Iran apparently unwilling to declare war in response to this annexation, the

[1] *US Military Sales to Iran. A Staff Report to the Subcommittee on Foreign Assistance of the Committee on Foreign Relations, US Senate* (Washington: US Government Printing Office, July 1976).

temptation for Hussain to think that he had the revolutionary regime on the run must have been great. Iran must certainly have seemed unwilling and unable to respond aggressively to Hussain's official extension of Iraqi navigational rights beyond the Shatt's median line.

What is still a puzzle is the role played by Iran's anti-Khomeini exiles in helping the Iraqi President go beyond the point of no return—first, by making his repudiation of the Algiers agreement public and, finally, by ordering the surprise air attacks on 10 Iranian military bases which on 22 September signalled the real start of the war. There is well-informed speculation that Hussain was 'promised' by the exiled Iranian generals in Baghdad that an Iraqi offensive would provide the spark for a general uprising in Iran's ethnic regions, particularly in the Arab-speaking oil province of Khuzistan, and touch off mutinies and a possible coup by Iran's armed forces. In the event, it took only a few days of fighting to show how vain any such promises would have been.

Whatever the political and military calculations, the damage to the economies of the two warring countries was incalculable after several weeks of heavy artillery and aerial bombardment. In Iran, the 620,000 b/d capacity Abadan refinery next to the Shatt was destroyed between 30 and 50 per cent. The port facilities of Khorramshahr 10 miles further north were in ruins. The two cities themselves were slowly being turned into rubble. In Ahwaz and Dezful, in northern Khuzistan, destruction was more limited as Iranian artillery conducted duels with Iraqi forces at some distance from the cities. Several pipelines to and from Abadan were severed, though in the fifth week of fighting the main station just north of Dezful—pumping crude oil from the Ahwaz plains to Tehran and other places on the central plateau—was still operating. The 80,000 b/d Tabriz refinery had sustained some damage, but the main Tehran and Isfahan refineries, each capable of refining over 200,000 b/d of crude, were operating. The main Kharg Island crude export terminal was officially said to have been shut down in the first week of fighting, but some oil was still being exported—either through Kharg or one of the terminals fed by offshore fields. Also damaged was the $3,500 million Bandar Khomeini petrochemical project being built by the Japanese.

In Iraq, the Al Fao oil export terminals were damaged and bombing at the Kirkuk and Mosul oil facilities in the north brought all Iraqi oil exports to a halt in early October. The Kirkuk refinery and Baghdad's Doura refinery were also hit. Most destruction to industrial sites was in the Basra–Khor al-Zubair area where a $1,100 million petrochemical complex was abandoned by its Western builders. Also damaged was a controversial French-built experimental nuclear power station near Baghdad; the Iranians disclaimed responsibility for the raid on the station, giving rise to unconfirmed reports that the Israelis may have used the fighting as a cover for a sneak attack.

Reconstruction in both countries would at best take several months, possibly years. Harder to gauge were the long-term effects of the war on local business confidence and the willingness of outside companies and workers to get involved without assurances of stability and security. The economic and political effects on the rest of the Gulf would also be considerable.

If nothing else, the explosions amidst the Iraqi and Iranian oil fields and other facilities may help draw attention to the highly volatile atmosphere of the Gulf. The Western rationale for arming the Shah to his teeth and beyond was the presumed need for a 'stabilizing' presence in the Gulf. The Western sponsorship of the Shah's military extravaganza not only helped bring him down, but sparked a commensurate arms spree by Iraq and similar acquisitions of sophisticated weapons by nearly all the other Gulf countries. The industrialized Western nations were, however, still showing few signs of rethinking past policies as they sent in warships to assure free passage of oil through the Straits of Hormuz and the US promised help to any Gulf state coming under attack. While US AWAC reconnaissance planes patrolled Saudi skies, the French announced a $3,500 million deal to provide the Saudis with a navy. France also indicated it would go through with the scheduled delivery in October of Mirage fighter aircraft to Iraq. The US and the UK were meanwhile not trying too hard to discourage reports that supplies of arms and spares to Iran might resume if the 52 American hostages still held by militant students in Tehran were released.[2]

The Soviet Union was perhaps in a more fortunate position than the West. Moscow has been Iraq's main arms supplier, but its relations with the nationalist-minded Hussain became increasingly strained over the past year; it thus had little to lose by refusing an Iraqi request to increase arms supplies and by signing a friendship treaty in October with Hussain's Baath Party rival in Syria, President Hafez al-Assad. Convincing Iranian statements that the Soviet Union had made some sort of arms supply offer to Iran would at the same time appear to place the Soviet Union in the kind of flexible position that might be envied by the West.

From the Western viewpoint, almost any outcome of the war was seen as damaging. If Iraq won, a radical Arab country led by an ambitious ruler and armed by the Soviet Union would emerge as the super-power of the Gulf. If Iran won, the anti-Western backlash symbolized by the 1979 revolution would gather momentum and hasten the downfall of conservative governments in the Gulf. If Iran and Iraq became bogged down in a lengthy war of attrition, the threat of a significant change in the balance of power would be reduced, but continuing tension would almost certainly affect oil prices and would keep the Gulf rulers jittery and off balance.

A prolonged stalemate much beyond winter was in any case improbable. Both countries would start having supply problems, and, in Iraq, at least, President Hussain would face additional dangers from a disappointed populace and a frustrated military.

VAHE PETROSSIAN*

[2] See Vahe Petrossian, 'Dilemmas of the Iranian revolution', *The World Today*, January 1980.
* Senior staff writer for the *Middle East Economic Digest*.

AMERICA'S 'COUNTERVAILING STRATEGY'

THE so-called new US strategy for limited nuclear war was dramatically reporte when leaked to the press in mid-summer and vigorously debated thereafter. Whi the publicity particles have somewhat settled, questions remain: Just what does tl policy entail? Why was it adopted? What does it signify for strategic stability ar East-West relations?

On 2 June 1980, the Secretary of Defence, Harold Brown, told Nato's Nucle Planning Group meeting in Norway that the United States was about to adopt different emphasis in its targeting policy. On 25 July, Jimmy Carter signed Pres dential Directive 59, which ordered that plans for nuclear targets in the Sovi Union be revised to give priority to military objectives (in addition to retainii Soviet cities on the target list). On 6 August, *The New York Times* headlined a sto by Richard Burt gathered from 'Administration officials' (not including tl Secretary of State, Edmund Muskie, who was unaware that PD-59 existe describing a sharp strategic shift towards preventing a major conflict by obtainii the capability to wage a 'prolonged, but limited, nuclear war'. On 20 Augu Brown elaborated the US position at the Naval War College in language le sensational than the first press reports. The latter had noted that the new strate was strongly supported by the National Security Adviser, Zbigniew Brzezinsl and that the State Department had not been involved in its formulation—anoth proof, if any was needed, that the Administration's stylistic amateurism continue to prevent the appearance of a domestically coherent foreign policy towards tl Soviet Union. As with other items in the Carter record, this one invited confusic —not because PD-59 was leaked but because its meaning was not clarified as either novelty or doctrinal policy.

It appeared that the United States had shifted away from the mutual assur destruction of the cities of the super-powers to a war-fighting strategy givir priority to military rather than industrial and civilian targets. The fundament reason for the shift lay in the conclusion reached by security officials that Mosco did not accept Washington's concept of mutual deterrence. The Single Integrate Operations Plan, listing nuclear targets in the Soviet Union, would therefore l supplemented to include as priorities military targets, broadly defined to cov both Soviet missile bases and the location, during hostilities, of the Soviet politic leadership. The new strategy was said to be necessitated both by recent increas in Soviet nuclear capabilities and by the Russians' long commitment to tl acquisition of a 'war-fighting' capacity. Press reports did not fail to note that tl Carter Administration's revised posture bore a certain resemblance to tl Republican Party's official platform demand endorsing a clear US capability destroy Soviet military targets.

At the Naval War College, Brown emphasized the need for the US to grapp with the developing challenges of Soviet forces, doctrines and plans, the mo important aspects of which included the Soviet leadership's apparent conten plation of 'at least the possibility of a relatively prolonged exchange if a war comes and the American belief that 'in some circles at least, they seem to take seriously th

theoretical possibility of victory in such a war'. The Secretary of Defence stressed that he himself found any notion of victory in a nuclear war unrealistic—but since the adversary might be less persuaded of the likelihood of open-ended escalation, the United States needed both the forces and the doctrine to disabuse those in Moscow of thoughts to the contrary. (Neither Brown nor any other US official managed to make a persuasive case that Soviet leaders actually plan in terms of either waging limited war or achieving strategic victory, although the Western notion of deterrence is not conceptually separate from that of defence in Soviet writings; the fact that Russian military doctrine stresses the avoidance of defeat in defensive combat seems enough for some observers to suggest the sinister possibility that if they do not expect to lose, they must be planning to 'win'.)

What the United States sought was the over-riding objective of deterring nuclear war in the light of the massive build-up of Soviet strategic capabilities, creating fears of American force deficiency into the middle 1980s during which period silo-based ICBMs would be increasingly vulnerable. The countervailing strategy of PD-59 was thus necessitated in the view of Administration officials (having been previously urged by the former Secretary of State, Henry Kissinger, and many analysts in the US defence community) by the weakening of deterrence imposed by the declining credibility of massive retaliation against Soviet cities—since Russian forces even after a first strike would retain the capacity to destroy the population centres of the United States and its allies. This putative loss of credibility was accepted as requiring the new American targeting posture despite the rather feeble assumption that a Soviet Union, 75 per cent of whose strategic warheads are concentrated in potentially vulnerable land-based ICBMs, might gamble on an attack on a United States only 26 per cent of whose strategic warheads are so concentrated.

Thus, two dubious propositions met and agreed to ignore each other's blemishes: a less-than-credible American massive retaliation shared the analytical focus with a less-than-credible Russian first strike or the alleged nuclear blackmail which the capacity to launch such a strike implied. The resulting US strategy therefore looked to prevent an escalation towards full-scale nuclear war by introducing the threat of using nuclear weapons in situations not amounting to full-scale hostilities but which could escalate—indeed, which would be virtually guaranteed to do so through the American willingness to adopt a first-use policy and a doctrine embraced by spokesmen who recited their belief that any nuclear engagement was likely to become total. (That such logic, which seeks to strengthen strategic deterrence against the adversary by assuming escalation and lowering the atomic threshold, could conceivably boomerang and deter its creators, has not been mentioned by Administration officials.) The United States, Brown added, seeks to deter not only a massive attack but 'small attacks', and—even more ambitious—to deter an adversary from 'any course of action that could lead to general nuclear war', including conventional aggression. John Foster Dulles would have approved his summary statement that American policy henceforth would 'insure that the Soviet leadership knows that if they choose some intermediate level of aggression, we could, by selective, large (but still less than maximum)

nuclear attacks, exact an unacceptably high price in the things the Soviet leaders appear to value most—political and military control, military force both nuclear and conventional, and the industrial capability to sustain a war.' As a complement to the PD-59 posture, Presidential Directive 58 had ordered US planning to place additional emphasis on command and control survival for the United States.

Given especially the failure of SALT II and the partial return to the atmospherics of the Cold War, does the US strategy imperil the stability of the super-power balance? Soviet comments have branded it as 'military madness' reflecting 'a loss of common sense' in a Washington climate of 'war psychosis'. Yet it must be doubted that such rhetoric reflects conviction; US planning has included targets other than cities and industrial centres for many years, and while details have always been secret, American awareness of the problem of secure command and control in a less-than-total nuclear exchange was never lost in the misty apocalypse of mutual assured destruction. PD-59 thus codified existing doctrine rather than created a new policy, although the quantity and accuracy of the weapons which will be required to implement it could, through the triggering of another round in the strategic arms race, be as destabilizing as the supposedly flawed deterrence the doctrine was intended to correct.

The impact on East–West relations of a US targeting posture focused on highly selective targets, whether ICBM silos or political command posts, may be salved by the cosmetic label which eschews counterforce for countervailing. But, as was noted in 1974 when the then Secretary of Defence, James Schlesinger, revealed a strategic change from assured destruction to selective targeting, the weapons technology required for such targeting would resemble both in quantity and quality the striking power associated with a counterforce capability. The possibility that a Soviet leadership threatened by such a force might take urgent, even drastic, countermeasures cannot but be disturbing if not destabilizing and politically provocative. The Carter Administration has always been reluctant to treat the Soviet Union as an equal super-power, and if the answer to the question of what kind of Soviet military actions are supposed to be deterred by the countervailing strategy is 'any action', it must be faulted for its naïveté, especially since the criteria for judging the need for an American nuclear response to an 'intermediate level of aggression' remain ambiguous, and the gap between the threat of full nuclear escalation and the 'small attacks' to be deterred may undermine the strategy's credibility.

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Japan's security preoccupations

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JAPAN's annual Defence White Papers, the latest of which has just appeared, are attractive publications, full of photographs and diagrams, and contain among more serious fare accounts by new recruits about their entry into the Self-Defence Forces (SDF). This format was the result of a change brought about by the Defence Agency five years ago under its then Director-General, Sakata Michita. It was an attempt to remove defence from the realm of taboo subjects where only professionals or cranks venture to express an opinion, to increase the level of public interest and to improve the understanding of defence issues which was felt to be very low. It was hoped by disclosure and frankness to rid the Japanese of complexes drawn from the past and to steer them towards a debate on what was a desirable level for Japan's defence capability. It is one of Japan's political traditions to seek consensus before major policy changes are undertaken; and so consultation came naturally. And, since Japan does not operate in a vacuum in defence matters but under an American shadow, it was important that it should seek consensus also overseas. It is perhaps for this reason that the translated versions of the Defence White Paper are even more lavish than the Japanese originals. Consensus over defence involves not only Japan's sensitivities but also those of its Asian neighbours.

The Japanese Self-Defence Forces, created in 1954, were gradually increased in size by four 'five-year' plans (1958–60; 1962–6; 1967–71 and 1972–6). At present, they number about 267,000 men and take in around 23,000 recruits each year. The army consists of some 155,000 troops; the navy has vessels amounting to 174,000 tons; and the air force has 430 operational aircraft. Japan may therefore claim to be a sizeable military power. Control over defence is exercised by the Defence Agency, which forms part of the Prime Minister's office and is headed by a civilian from the ruling party as Director-General. To assist in this there are the National Defence Council, which is a sort of inner cabinet dealing with defence, and the Joint Staff Council which includes the highest-ranking officers of the three components of the SDF. The system is one of civilian control but how rigorous this is, or would be in an emergency, is one of the issues of current controversy.

Constitutional curbs and US shield

Japan has accepted certain limitations in its defence build-up. As the only country which has so far been subjected to nuclear attack in war, it has adopted the three non-nuclear principles: it will never produce nuclear arms; never own them; and never introduce them into Japan. Another restriction is the existence within its Constitution of 1946 of Article 9 which renounces war. Successive

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governments have taken the view that the sovereign rights of any nation to provide for its own self-defence override the requirements of the Constitution. They have, on the whole, had the blessing of the Western world in this interpretation. Japan's Constitution Review Commission which studied this problem from 1956 to 1964 favoured some amendment of Article 9 in its report. But the ruling Liberal-Democratic Party has not been able to remove the anomaly by amending the Constitution which requires a two-thirds majority in the Diet. While Article 9 is treated as an unwelcome albatross around their necks, Japanese governments have followed the line that they cannot send their forces overseas and cannot join any collective security arrangements.

Much of Japan's security depends on the United States with which it has had a security treaty since 1952. Under it, the Americans maintain a force of some 45,000 troops on Japan's islands (including Okinawa), said to be the largest off-shore American military establishment in Asia. Japan also owes something to the presence of the Seventh Fleet in the West Pacific and to the so-called American nuclear umbrella which rather detracts from the purity of its three nuclear principles. Japan's overall defence policy involves a delicate balance: while confronting small-scale, limited aggression with its own defence capability, it depends upon the deterrent strength of the United States. Under their security arrangements, the United States is obliged to defend Japan if an armed attack were to be made on Japan, while there is no reciprocal obligation on Japan to defend the United States. This gives rise to the anxiety on the part of the Japanese that America's self-interest might not be great enough in an emergency for it to fulfil its treaty obligations.

For ten years past the United States has given notice that it wishes to take a smaller role in the West Pacific area. Since the time of the Nixon (Guam) doctrine which was published in a period of boom conditions in Japan's overseas trade, Washington has urged Japan to assume some part of its responsibilities in the area. In the early 1970s, this message was obscured by the deterioration in relations caused by the textile disagreements. But since 1976, when the American economy has been under pressure while Japan's economic strength was increasing, the United States has moved towards open criticisms of Japan, alleging that it is enjoying 'a free ride' over its defence and expanding its economy under the shield of American military forces. Against this background, the American government has explicitly called on Japan for greater defence efforts and expenditure.

Over the past two years, there has been a major debate on Japan's security pre-occupations, experts clashing with other experts and non-experts trailing their coats. Whereas in pre-war days it was left to the professionals to express a view on these issues which was rarely challenged by civilians, it is now accepted that Japan's policies on defence matters should be controlled by civilians and that public opinion must be consulted. There has, therefore, been a great deal of fundamental discussion of which the 'debate' between Professors Morishima and Seki in *Bungei Shunju* in 1979 was perhaps the most famous and most wide-ranging example. This stimulated much discussion in the intellectual weeklies which brought out into the open many controversial questions.

Perceived Russian threat

The 'debate' seemed to attract popular attention because of new threats to Japanese interests which have recently appeared. Though the successive Middle East crises of the 1970s have naturally affected Japanese thinking, the Japanese, like the Americans, have been especially sensitive to the expansion of Soviet Forces in the Pacific area. Most prominent, perhaps, is the defence build-up in the so-called 'northern territories'. These are the islands (Kunashiri, Etorofu, Shikotan and the Habomai islands) which were taken over by Soviet forces in 1945. During the negotiations for a peace treaty in 1956, the Russians agreed that Habomai and Shikotan should be returned to Japan if and when a peace treaty was concluded. The Japanese have asked for the subject to be reopened frequently ever since; but the Russians who have, of course, to consider the problem in the context of global, and especially East European, considerations have consistently refused.

From the summer of 1978 onwards, the Defence Agency detected that the Soviet Union had deployed about one brigade of ground troops in Kunashiri and Etorofu and built a military base. This was a new step since the Russians had withdrawn their garrison, about one corps, from the two islands in 1960 and transferred twenty aircraft from Kunashiri to Sakhalin in 1966. When Japan protested, the Russians replied that the area was Soviet territory and the protest was an interference with their internal affairs. Since then, they have reinforced their units and facilities capable of housing 2,000 men have been built on Shikotan. These moves are naturally regarded as a provocation by Japan which feels it has a title to the four islands concerned. They have excited the traditional Russophobia in Japan and given support to those who are calling for an increase in its armed forces. Moreover, the Soviet Pacific fleet based on Vladivostok was reinforced by the Kiev-class carrier *Minsk* and has been more active in Japanese and Chinese waters. Against this background, the Soviet invasion of Afghanistan, combined with events in Vietnam, seemed to contribute to a general picture of a Soviet build-up throughout the Asian-Pacific region. Popular anxiety on this score explains Japan's decision to boycott the Olympic games.

During the past two years, the United States has put growing pressure on Japan to increase its defence expenditure in line with the country's economic strength. Early in 1980, Washington urged the Ohira government to assume greater responsibility for the security of the sea-lanes. In February–March, the Japanese agreed to take part for the first time in the naval manœuvres (Rimpac) of the four Pacific countries, the United States, Canada, Australia and New Zealand, on the Rim of the Pacific in waters south of Hawaii. In response to complaints, the Defence Agency defended itself by saying that Japanese ships were not commanded by others; the manœuvres were not part of a collective security arrangement; the intention was primarily to improve the SDF's fighting techniques. None the less, in April the Prime Minister, Ohira Masayoshi, though he belonged to the 'doves' in his party, announced that he intended to spend more on the armed forces and to raise disbursements for the American forces in Japan. He confirmed these arrangements when he visited President Carter in Washington in May.

Ohira sought to secure a consensus for his defence build-up. He set up the *Sogo anzen hosho kenkyukai* (Comprehensive Security Study Group) under Professor Inoki, to report on the needs of military defence. In the Diet which was the hotbed of dissent on any rearmament issue, he set up an inter-party committee on security affairs under the former Director-General, Sakata. He also carried his consensus-building overseas, to the ASEAN states. Particularly important was the visit to Tokyo at the end of May by China's leader, Chairman Hua Guofeng, who assured the Japanese that they needed a certain level of defence power to maintain their sovereignty and territorial rights.

At this point the political dam broke. The Ohira government which had only come to power after the general election in October 1979 was defeated in a no-confidence motion by 243 to 187 because of the abstention of the Prime Minister's own party members. Ohira decided to go to the country on 22 June and, after his sudden death, his party secured the comfortable majority of 284 over the combined opposition of 216 plus 11 independents. The Liberal Democratic Party for the first time since 1969 was satisfactorily placed in the Lower House. While the factions that make up the party were trying to find a successor as party President (who becomes automatically Prime Minister), the leaders of the world gathered in Tokyo for Ohira's funeral and took part in high-level conversations. Suzuki Zenko, a candidate acceptable to evenly matched rival factions, was selected as Prime Minister in mid-July.[1] While Suzuki emphasized the need for harmony and reconciliation within the party, he took early steps to announce developments over defence, some of them an inheritance from his predecessor. In an unusual strategy, Suzuki announced that he had permitted the Defence Agency to ask for an increase up to 9·7 per cent in its budget for 1981 over this year's budget, despite cuts which were being made for other ministries. This was equivalent to 0·91 per cent of GNP for 1981. But Suzuki made the disclaimer that Japan was as firmly bound as ever by the Constitution and its total ban on nuclear weapons and would not become a large military power offering a menace to other countries.

1980 Defence White Paper and Foreign Ministry Blue Book

The Defence White Paper for 1980, approved by the Cabinet on 5 August, claimed that an accelerating Soviet military build-up was taking place in the Far East which posed a threat to Japan, on land, by sea and in the air (with the Backfire bomber). In official calculations, the Soviet Pacific fleet—perhaps Japan's major anxiety—can now assign more than 20 vessels to the Indian Ocean and over ten others to the south China seas. Commenting on Japan's strength, it stated—for the first time in writing—that it was insufficient in tank, anti-missile and anti-aircraft units and that it was urgent for Japan to improve its defence capability in these respects. The White Paper is by no means an ultimatum from the soldiers. Indeed, it is in the nature of a Cabinet document. Nor does it contain advice to take precipitate action: 'it takes a long time to improve our defence capability steadily, based upon a long-term outlook, as well as to examine constantly throughout peace-time what Japan's own defence posture should be'. The

[1] See G. H. Healey, 'Japan's election: return to the 1960s', *The World Today*, August 1980.

underlying message of the White Paper probably reflects a considerable body of thinking in Japan.

As if to affirm this, there appeared towards the end of August the Foreign Ministry Blue Book for 1980, *Waga gaiko no kinkyo*. At this point of transition from the 1970s to the 1980s, it speaks of the need for Japan to pursue a positive diplomacy on both bilateral and multilateral bases, the relationship of friendship and co-operation between Japan and the United States being its axis. At the same time, Japan should continue its efforts to improve its self-defence capacity at an appropriate level. Kasumigaseki-watchers feel this is one sign that Foreign Ministry officials are lending their weight to America's pleas for increased defence expenditure. Whereas in recent years the Blue Book has made much of the need for a multi-directional diplomacy, the implication this year is that Japan, being a strong economic power and a member of the free world, should not flinch at making firm political choices, even if they involve sacrifices. We have, of course, heard similar sentiments from individual Japanese writers for years but have not seen them spelt out in official reports.

The above has tended to dwell on the government standpoint. For their part, the Japanese people have the same doubts and fears about defence as the citizens of any democracy. The political parties which have to be consulted in any consensus hold widely differing views. Until recently, the Japan Socialist Party and Japan Communist Party which were opposed to the American security treaty and any suggestion of 'rearmament' had no common ground in security matters with the Liberal Democratic Party (which harbours enough dissenters of its own). Now, however, these major opposition parties have come round to taking a more pragmatic view; and discussion is possible, even if common ground is not always easy to find.

The Self-Defence Forces are controversial and have an unpopular image, however much they genuinely try to improve it. Typical issues which have tarnished their image over the past few years are the spying by a retired SDF general for the Soviet Union using information supplied by serving personnel, and revelations about the berthing and repair of the nuclear-powered submarine *Mutsu* despite the opposition from local authorities. Moreover, now that the winds of change are blowing, some far-reaching proposals which would not have been mentioned in public even five years ago are being made: the possibility of conscription, and the possibility of the export of weapons in order to rescue the Japanese armament industry as some of the larger businesses would like.

Another of the problems which have arisen over defence issues is how to establish a dialogue between the soldiers and the politicians as between the soldiers and the public. In 1978, there arose the issue of General Kurisu Hiroomi, Chairman of the Joint Staff Council, the most senior soldier in Japan who under the prevailing system does not have automatic membership of the National Defence Council—a provision designed to prevent the military having as great a voice in decisions as they had before the war. In an incautious moment in the summer of 1978, Kurisu, who had been a legal officer in the Self-Defence Forces and was preoccupied with constitutional issues, raised the topic: what would happen in Japan in the event of

an emergency attack which was completely unforeseen, and how would the civilian government be able to give the necessary authority for action by the SDF? The inference drawn by the newspapers was that he was calling for the SDF commanders or the Joint Staff Council to be permitted a discretion to become involved in such an emergency, though that was not implicit in his speculations. The Kurisu incident, as it came to be known, gave rise to accusations that the SDF were seeking to expand their role and were presenting an ultimatum to the government, reflecting a return to pre-war militarism. Naturally the government, which would have preferred that the matter should have been debated and decided in secret, was far from pleased by Kurisu's tactic of forcing its hand, however innocently his expression was phrased. Kurisu was forced to resign in July. Thereafter he was frequently interviewed by the press and made the point that the difficulty he envisaged was that of preventing a front-line general from taking emergency action without consultation and that a superior system of civilian control must be established in Japan. Clearly, he had raised a vital issue which affected countries far beyond Japan's shores. After Kurisu's 'martyrdom', he entered the political field and stood in the general election in June 1980 for the Democratic-Socialist ticket in order to ventilate defence issues, but failed to get elected.

Revising Article 9?

But the main bone of contention in the defence field is the most fundamental: the handling of Article 9 of the 1946 Constitution. Can the Japanese in 1980 any longer conscientiously subscribe to the clause: 'The Japanese people forever renounce war as a sovereign right of the nation and the threat and use of force as a means of settling international disputes; land, sea and air forces as well as other war potential will never be maintained'? Despite the inconsistencies involved, the Socialists and the left-wing have by and large clung to this article as a means of safeguarding the defensive posture of the Japanese state. By contrast, the Justice Minister, Okuno Seisuke, startled everyone in August by telling the Diet that Article 9 should be revised or dropped. His remarks were made with the qualification that he was speaking in his personal capacity and not as a Cabinet minister. Moreover, they were disowned by the Prime Minister. Yet, the fact that they were made by the Justice Minister who would himself have been responsible for any changes to be brought about by legislation cannot fail to be significant. It may be that Okuno's statement was also based on a misjudgment of public opinion. Although the Japanese seem to have come round to treating the Self-Defence Forces as normal and the security treaty with the United States as acceptable, it is doubtful whether there is yet a consensus for tampering with Article 9. Clearly there are those who want to tidy things up and remove the anomalies of three decades. They will continue to test the temperature of the water for change as the Seirankai, the hawkish group within the Liberal Democratic Party, tried to do early in the 1970s with a good deal of publicity and as Okuno was presumably trying to do more recently. But anomalies and inconsistencies can linger on in Japan for a long time. For the present, the Suzuki Cabinet will refer the point to

the Constitution Problems Research Council. This will clarify the position and enable it to deal with another current proposal, that for helping the United Nations in its peace-keeping operations by offering Self-Defence Forces for service overseas. This would be in violation of procedures observed so far, though it has now acquired some influential advocates, including (it is said) the Foreign Ministry.

Japan is midway through a long debate. This article has dealt with the security preoccupations which seem to have affected the Japanese as during 1980 they have moved gradually back towards the United States and the Western alliance and away from 'multi-directional diplomacy'. The immediate issue is a political one, that of the extent of the defence budget. Normally this would take time: the budget would be drawn up at the end of the year by the bureaucrats, debated in the Diet next spring and perhaps attacked by the parliamentary opposition on the issue of defence expenditure. But the Suzuki Cabinet has decided to make its mind known well in advance, partly as an indication of its own convictions, and partly as a sop to the United States. So far as the Japanese public is concerned, it is intended as a trial balloon, because there is a feeling that the popular mood among Japanese is changing and the reaction to these defence increases has already been enlightening. So far as the United States is concerned, it has already indicated that a 9·7 per cent increase in defence expenditure for 1981 will inevitably be eroded by inflation and that the Suzuki Cabinet has moved too cautiously. Japan appears to have countered by indicating that its long-term policy is to raise defence expenditure to 1 per cent of GNP over the next few years. But Japanese politicians have to attend to the Asian as well as the American constituency. In order to disarm criticism from that quarter, Prime Minister Suzuki used his meeting with foreign journalists on 25 September to tell the world that he did not propose to build up a fighting machine comparable to Japan's economic power and intended to uphold the terms of the Constitution. Hence there was, in his view, little that Japan could do to play a larger security role in the Asian-Pacific area. Japan has made a small move and the debate over its defence preoccupations is likely to drag on for many years to come.

The European Community and Japan: agenda for adjustment

MICHAEL HARDY

In considering the current state of relations between the European Community and Japan, two events that occurred this year may be taken as a point of departure. First, as regards trade, Japan's surplus with the Community over the first eight months of 1980 exceeded that for the whole of 1979. The pattern of Community deficit was thus maintained, but at a sharply increasing pace. The causes were familiar: Japanese exports have continued to make greater inroads, in crucial sectors of the economy; European exports to Japan, on the other hand, have failed, as in the past, to increase their market penetration rate, and indeed remained stationary at 1979 levels. The result has been a growing trade gap and widespread cries of alarm from a Europe affected by recession, unemployment and inflation.

The second event that may be singled out was the visit to Luxembourg in April this year of the then Japanese Foreign Minister, Mr Saburo Okita, during a session of the EC Council of Foreign Ministers, which was considering, amongst other matters, the Middle East and related questions. Japan and Europe have found it increasingly necessary to consult together and to align their positions on matters such as Iran, Afghanistan and the Arab-Israeli situation. Both agree that their relations cannot be confined to matters of trade; the agenda of world problems needs to be considered by these two poles of the US–Japan–EC triangle. Thus the visit of Mr Okita to consult informally with his European counterparts was in its way as significant as the bread-and-butter trade issues.

The two events reflect the present stage in the EC–Japan relationship: gatherin difficulties on the trade front, as Europe becomes more conscious of Japanes competition and of the depth of its own problems; and awareness, when th bilateral problems are put in their world context, that the two must find means to ac together, if the liberal, market economy on which they both depend is to survive.

The starting point

If one looks at the position at the opening of the 1980s and compares it with tha immediately after 1945, it is clear that, for these two societies, the past 35 yea have witnessed an extraordinary advance. Millions of people in Western Europ and Japan have been able to enjoy a standard of living previously available onl to a small middle class. In both areas there have been active, motivated popul tions whose energies have been released. Western Europe and Japan may la claim indeed to have been the most successful societies of the post-1945 era. Tl

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conditions which enabled this economic progress to take place are well known. Through the General Agreement on Tariffs and Trade (GATT) and the International Monetary Fund (IMF) there have been rules and institutions to replace the anarchy and protectionism of the 1930s. Energy and raw materials have been available at relatively cheap prices. Demographic trends have been compatible with rising living standards and productivity. Under these circumstances, the volume of world production increased between 1948 and 1973 at an average annual rate of about 5 per cent and the volume of world trade even more, by around 7 per cent a year, or by nearly sixfold over the period.

This development has been accompanied over the past 10 to 15 years by a considerable shift in the relative economic weight of the three main areas, most notably by the advance of Japan. In terms of GDP, Japan overtook the United Kingdom in 1967, France in 1968 and Germany in 1969; Japan's GDP is now roughly equal to that of France and Germany combined. Japan's share of world trade increased from around 4 per cent to about 9 per cent. The share of the United States is now around 13 per cent (having been almost 19 per cent in 1972), while the external trade of the Community currently represents about one-fifth of world trade, having reached a maximum of a quarter in 1972–3. Regional factors have nevertheless remained significant: the leading trading partners in each case have been neighbouring states (in 1979 other West European countries provided 24 per cent of EC imports, Asian countries provided 34 per cent of Japan's imports, and Canada nearly 19 per cent of US imports). Lastly, although Japan increased its exports to Europe and the US, the growth of trade in the opposite direction has been very much lower.

$ bn.

	EC			US		
	1960	1979	Increase	1960	1979	Increase
Japanese exports	0·3	13·4	+13·1	1·1	28·2	+27·1
Japanese imports	0·3	7·6	+ 7·3	1·5	20·4	+19·0

(*Source:* Eurostat and US Department of Commerce.)

In summary, therefore, although the European Community and Japan in recent decades managed to reduce very substantially the gap between them and the United States so far as living standards and per capita income are concerned, Japan moved ahead faster. Its impressive gains in GDP growth and the competitiveness of its exports have meant that, while Japan's oil bill has gone up since 1973, the bill for industrial raw materials has fallen as a percentage of industrial production and GDP. In view of Japan's low propensity to import manufactures, the result has been the balance-of-payments surpluses of 1977–8. Japan, in short, has emerged relatively stronger from the post-1973 recession than its main industrial competitors. Within Europe, a comparable conclusion can only be reached in the case of Germany, and even then to a lesser degree.

Prospects for the 1980s

The conditions under which the post-1945 prosperity was created have now been substantially altered. Under the pressure of higher energy prices, the prospects are that economic growth will be at half the rate of the boom years, although Japan

will still be in the lead. The problem of tackling unemployment in the Community (6 per cent of the active population, some 6·6 million in 1980) will be accentuated by an addition to the labour force of an estimated 9 million between 1980 and 1990 (EC of Nine); job creation will be required on a major scale. Capital and knowledge-intensive technological processes will be introduced increasingly in Japan, the United States and Germany, and more slowly among other industrialized countries. The present group of developed countries is likely to become more spread out as information and automation processes replace industrial methods. At the same time, technology will be exported on a greater scale to developing countries (capital coming from the developed countries or indirectly from OPEC funds) as part of the process of reducing labour costs and other overheads (e.g. South East Asia) or using raw materials nearer the site (e.g. Brazil, Mexico, Middle East).

Looked at overall, we have thus come to the end of a chapter, and the emphasis over the years immediately ahead, marked as they will be by tougher market conditions, will be put on adaptability and on the capacity for structural change. In this process of adjustment amongst the industrialized powers, the United States has the advantage of the size of its internal market, the major international currency and its own sources of most raw materials. Japan is the most homogeneous society of the three and possesses highly efficient industrial sectors and an established capacity to make structural changes. The pattern of its trade with the rapidly industrializing countries in Asia and elsewhere is based increasingly on Japanese exports of capital and capital goods and the import of intermediate manufactured products.

Europe is deficient in many of these crucial aspects. The internal trade of the Community is not equivalent to the domestic trade of the United States or of Japan. Member States continue to have their own economic policies, though efforts to co-ordinate these are made. The European monetary system is still far away from being a unified European currency. We speak at least six different languages. Although a common market has been constructed, the sense in which one can refer to 'European industry' is different from the way one can speak of a single 'Japanese industry'. The matter was summarized by the Commission in a document dealing with the European response to the new information technologies: 'Europe has neither the continental market of America nor the common strategy of Japan, while the great social debate has so far been confined to national bounds.'[1] National and company planning reflect this state of affairs. The disparities in economic structure are thus still very great. Both Italy and the United Kingdom have tended since 1973 to strengthen their labour-intensive sectors, for example, while the other Member States, most notably Germany, have moved in the opposite direction. Most of the EC, viewed as a whole, is more engaged in exporting goods which are vulnerable to international competition than the US and Japan, either because of a lack of price competitiveness (bulk steel, chemicals cement, ships, textiles) or for technological reasons (e.g. US strength in aero-

[1] *European Society faced with the Challenge of new Information Technologies: a Community response*, COM (79) 650 final.

nautical products, computers, telecommunications and electronics, Japanese in electronics and numerically controlled machines).

The European Community is an incomplete union; its existing competence under Article 113 (common commercial policy) or internally is less than is available to a unitary country such as Japan. The divergences within the Community reflect differences in the economic circumstances in which individual Member States find themselves. Generally speaking, their effect is to allow negative action to be taken more easily by the Community in the classic commercial policy field than positive action by way of industrial adjustment—here a laborious process of persuasion and co-ordination of national and company measures has so far usually been the best that can be managed.

The question now posed on the internal side, therefore, is the extent to which present difficulties and the advances by Japanese industry will cause a realignment and reassessment on the part of European firms and how this process can be promoted at Community level. The situation varies greatly between sectors (e.g. steel, shipbuilding, textiles, automobiles, electronics, aircraft). It is not the case that a principle can simply be enunciated from on high (move up market, out of labour-intensive sectors into capital and knowledge-intensive sectors), and left to realize itself. The exact strategy and mix has to be worked out at company level (where the expertise and knowledge of the market are to be found), with a degree of government involvement and sometimes support (inevitable since governments control around 40 per cent of GDP), and considered and sometimes initiated by the Community. Who thinks for Europe and can this process be carried out? If it is not, what is to be done? Externally, meanwhile, what attitude is the Community to take to Japan and what topics will be on the agenda?

Possible points of friction and tasks ahead

Although progress has not been at an even pace, co-operation between the two has, in fact, worked reasonably well in recent years. The Tokyo Round was achieved. The Western Economic Summits give Japan a seat at the top table; the extent of European representation serves even to increase Japan's weight. Attitudes towards Japan have indeed changed substantially over the last decade, increasingly so in the last few years.

Ten years or more ago, relations with Japan so far as Europe was concerned were confined almost solely to trade issues. The concentration on certain sectors made Japanese exports a sharp menace; trade in the other direction was neglected and relations in other areas (defence, monetary arrangements, shared political arrangements) were minimal. In those circumstances, Europe was more important to Japan than Japan to Europe, and Europe turned its official mind to Japan only when the volume of imports in sensitive sectors reached critical limits. The fear was of cheap, labour-intensive goods. A glance through the UK 1962 Governmental Statement accompanying the submission to Parliament of the UK–Japan Commercial Agreement makes instructive reading: cars are not even mentioned. The extent of its advance has been such, however, that Japan can no longer be thought of exclusively in terms of trade; Tokyo stands for a great deal more in the

world. The 1973 oil crisis was undergone together, as was the North–South dialogue, the 1979 oil price rises, and the fumbling common efforts to deal with these problems. There has been the relative decline in US leadership. With uncertainty as to American positions, an emerging China (and growing instability *in South East Asia), and the crisis in Iran (suggesting the possibility of similar* events elsewhere in the Middle East), Europe, without as yet consciously spelling it out, has come to rely more and more on Japan.

The extent of this reliance fluctuates from area to area. The central element is that Japan represents a source of stability in an unstable world. In a setting where it is increasingly difficult to find fixed points, Europe is more frequently inclined, when confronted with the prospect of a quarrel with Japan, to weigh instead the advantages of persuading Japan to act in a positive sense. Thus Japan is called on to provide more aid, to be part of the 'locomotive', to supply capital to developing countries, and to show understanding, make investments and engage in industrial co-operation which will assist Europe in coping with the future. A substantial investment by Japan in European manufacturing during the 1980s could do much to reduce trade friction as well as having a considerable impact on the transfer of technology and in promoting the interlacing of the two economies.

Japan itself, as a major power, will be required to accept a greater responsibility for the maintenance of the world economic and trading system, commensurate with its capacities. This 'burden sharing' takes its principal form at the present juncture in dealing with the deficits which the industrialized powers have with the OPEC countries. Although Japan, too, is therefore in overall deficit, it will be required to show moderation and not 'export' its way out of the deficit at a rate which, whether on the European market or on third markets, places undue strain (political as well as economic) on Europe. It is to be hoped that Japan will understand this need, and be able to translate it into specific messages to the sectors of its industry.

Thus, whatever points of discord occur (as of course they will) will take place in a different setting from the past. The discussions will be over a wider range of topics and policies, though trade and economic relations will remain the primary focus. The issues for consideration will concern the different aspects of energy policy, for example; export credits and development aid; international monetary issues (the operation of the European monetary system and the implementation of Japan's policy of 'internationalization of the yen'); and the perspectives for industrial co-operation, to give some illustrations. The post-Tokyo-round GATT machinery will be operated together. In the realm of international issues, the Community and Japan will be called upon more and more to exchange ideas beforehand and to seek to co-ordinate their positions, thus reinforcing this side of the trilateral relationship. This applies in such cases as the North–South discussions as well as in relation to the more immediate political problems that formed the subject of Mr Okita's visit to Europe. A political dialogue between Japan and Europe, though not yet automatic, is in the process of coming into being.

There are two major factors that have to be added. One consists quite simply of

the extent of Europe's problems. Much has been done, a setting has been created, but many fundamental issues have not yet been tackled (besides the questions relating to further enlargement). What combination of market forces, national and Community measures should be used to deal with the difficulties Europe faces? Can we be sure the decisions will be taken?

The other relates to the trade issues. On world markets, European and Japanese firms are engaged in stiff competition. Japanese successes, for example in the US, in EFTA countries, in the Middle East and in Latin America, have often been at Europe's expense. It is the third markets which are the real touchstones of relative competitiveness and which are crucial for Europe's future. So far as bilateral trade is concerned, the EC export/import coverage with Japan has fallen steadily since 1968, from roughly 91 per cent to about 40 per cent. The difficulties concern not only the resulting bilateral trade deficit itself but, even more, the accompanying circumstances. Japanese exports to the EC have grown rapidly and have tended to be concentrated in sensitive sectors, thus presenting political problems in a time of rising, and probably persistent, unemployment. It has proved extraordinarily difficult, furthermore, to increase EC exports to Japan. The reasons for this are mostly geographical and historical; although European exporters have made less efforts than their Japanese equivalents, the view that Europe could overcome its difficulties if its businessmen tried harder on the Japanese market is, at the least, misleading or incomplete. Nor is it the case that there are large numbers of official Japanese trade barriers, as there were in the 1950s and 1960s. The difficulty, if it can be reduced to a sentence, concerns above all the low level of manufactured goods (both relatively and absolutely low) which Japan imports under its existing economic structure—itself the result of Japan's distance from other industrialized areas, its traditional tendency to seek mercantilist solutions and the close-knit nature of Japanese society, with its special bonds of obligation. The disparity between Japan and the United States and the EC, in terms of the structure of imports, is indeed striking. As a result there is little integration of Japan's economy with that of Europe or of the United States so far as manufactured imports are concerned.

	Imports of manufactured goods (Chap. 5—8 SITC) 1979	As percentage of total imports
EC	$135 bn.	45%
Japan	$ 27 bn.	25%
US	$119 bn.	57%

(*Source:* Eurostat; Japan Ministry of Finance; OECD.)

The bulk of European Community exports to Japan—as indeed of Japanese exports to Europe—consists overwhelmingly of manufactured goods (over 80 per cent). The European Community provides around 22–24 per cent of Japan's manufactured imports—a far higher proportion, in fact, than Japan supplies to the EC. Since the US is responsible for 28–29 per cent (aided by dollar exchange rates and post-1945 trading patterns) and neighbouring developing countries a fair proportion of the remainder, there is no action which Europe can take effectively, at least in the short term, to increase its share by anything like the amount

required to bring the trade account into substantially better balance. The result has thus been that EC exports have grown much less than Japanese exports to Europe.[2]

For a change to occur a decisive change in Japanese attitudes towards manufactured imports and a shift in Japan's internal economic policies would be required. Japan would need to take concrete measures to make its market more permeable and to pursue policies of internal consumer-led growth. By encouraging, as a matter of deliberate government policy, a greater dependence on imports of manufactures in items where comparative advantage lies outside Japan, the Japanese economy could be integrated more fully with the other industrial economies and friction with these trade partners could be reduced.

That, then, is the setting in 1980, in which the Community's trade deficit with Japan again rose substantially and both sides sought to broaden the scope of their co-operation. How far will the process advance? Europe appears more ready now than it was even two or three years ago to accept that it will have to give far more attention to Japan, to cultivate it and to learn lessons from the Japanese experience as well as from its own. So far as immediate trade issues are concerned, the conclusion seems inescapable that so long as the export/import cover ratio between industrial powers as important as Japan and the EC remains as low as 40–50 per cent, a degree of instability will persist in the relationship, and continued, strenuous efforts will have to be made on both sides.

Let me end with two quotations. The first is a remark by a senior official in Tokyo who used a golfing metaphor to sum up Japan's exasperation at its trade problems with Europe. 'The trouble with dealing with Europe', he was reported as saying, 'is that it is like playing golf with a man whose handicap is 25, but who does not know he is as bad as that.'[3] As a European, one can, a little ruefully, see what he means on occasions. It is for the Europeans to rouse their energies, to assess the present situation and to determine how they are best to respond to the economic challenge which Japan presents. This is a challenge for industry as well as for the Community institutions and national authorities, who must together work out an effective strategy.

The second quotation is from one of the admirable group of officials who have directed Japan's post-war economic development. Mr Naohira Amaya, now Vice-Minister of MITI (Ministry of International Trade and Industry), once wrote:

> If the world were ideally free and open, the Japanese economy should take every opportunity to make itself the head office in the international economy. In other words, she should disperse her factories, which consume large quantities of natural resources and extensively affect the environment,

[2] ($ bn.)

	EC imports from Japan	Increase	EC exports to Japan	Increase	EC deficit
1973	4·2		2·8		−1·4
1979	13·4	+9·2	6·3	+3·5	−7·1

(*Source:* Eurostat.)

[3] *Financial Times*, 3 October 1980.

> around the globe and concentrate the head office functions in Japan. Such functions would include data gathering and processing, decision-making, banking, insurance, distribution, R&D (research and development), studies, art, entertainment, and also high value added industries which process materials into highly sophisticated goods. If this direction were adopted the knowledge intensification of the supply structure in Japan would make a remarkable progress.[4]

This, too, is a quotation which leads one to pause. One can see how, on the basis of Japan's achievement, it is possible for this to be a vision which, by a rational projection, could seem within reach. But Mr Amaya goes on to say: 'However, the assumption that "the world is ideally free and open" is not necessarily a realistic one.'

In the paradoxical manner in which success leads on to change and then more change so as to undermine its own foundation, Japan cannot—as it knows—proceed in the way it has of preserving the Japanese market of 116 million prosperous consumers, while increasing its own external trade. There will have to be more two-way integration with the other main industrialized pillars, and notably with Europe, if the game is to be carried further under the same rules. Having in the past studied Europe, Japan will have to seek to identify with its problems, to be prepared to pay a greater immediate price, in terms of its own internal political and economic circumstances, for multilateral economic stability, and to abandon, finally and for ever, the 'narrow island view'. In return, Japan can have a much closer and firmer relationship with Europe, on which it will be able to rely more confidently as a partner. But there can be no doubt that in this two-way street a primary task will be for the Europeans to make their own positive response to Japan.

[4] 'A look at knowledge intensification from the viewpoint of cultural history', *Japan Reporting*, 5, 1975.

Japan and international monetary developments

NOBUMITSU KAGAMI

In order to understand Japan's perception of, and reaction to, international monetary developments, it would be useful to start by reviewing briefly the post-war history of its balance of payments. Throughout much of the period following the Second World War, Japan was a country whose growth had to be held in check time and time again by the balance-of-payments constraint. However, in the second half of the 1960s, fundamental changes took place in the structure of its balance of payments. Yet, at the time, very few people saw it that way. The fact that Japan incurred a small deficit on current account in 1967 was regarded merely as another recurrence of the old pattern, in which an economic upswing was followed by a surge of imports, a sharp deterioration of the balance of payments and an abrupt application of tight monetary policy. In retrospect, however, 1969 marked a break with this traditional sequence of events. The economy was then in its fourth year of recovery from the trough of 1965—the year of the first major recession of the post-war period—and the balance of payments displayed a healthy surplus, but prices were beginning to rise at a rate above 5 per cent per annum. For the first time, the authorities were forced to take action based on criteria other than the balance of payments. In the end, the control of inflation took precedence over balance of payments and monetary policy was tightened, with a rise in the official discount rate from 5·84 per cent to 6·25 per cent in September 1969.

With the aid of hindsight, the correct policy would have been to revalue the yen. However, at the time, this was totally unthinkable. There was a gross under-estimation of underlying forces and of the considerable improvement in Japan's export competitiveness which had been achieved by the massive industrial invest-ment during the preceding decade. Consequently, Japan's surplus exploded, culminating in the Nixon measures of August 1971.

Developments since the beginning of the 1970s are well known. There were genuine efforts on the part of the Japanese to make positive adjustments to Japan's drastically changed external position in the early 1970s. Unfortunately, the move was interrupted by the outbreak of the oil crisis in 1973–4 which clearly exposed yet again the inherent vulnerability of Japan's balance-of-payments position. The deficits in the three years from 1973 to 1975 distracted attention from the need for

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fundamental adjustment, but the underlying forces kept exerting their influence, resulting in the re-emergence of a large surplus after 1976. More recently, the pendulum has swung again with the renewed upheaval of oil prices and the resultant large deficits in Japan's current account. In view of the inherent vulnerability of Japan's balance of payments to external developments and the continuing vagaries of the international environment, the Japanese may be justified in feeling that they need extra room for manœuvre in their actions in this sphere.

To a large extent, Japan's policies and attitudes towards international monetary affairs stem from this background. However, a word of caution is perhaps in order at this stage because Japan's stance has been changing rapidly in recent years and some of these changes are quite significant, warranting further discussion in a later section of this article.

In the first place, Japan's attitude in this field, as in other international matters, was on the whole characterized by its passiveness. At least until the late 1960s, international monetary problems did not exist in the eyes of most Japanese, although events such as the 5 per cent revaluation of the Deutsche Mark in 1961, the sterling devaluation of 1967, the gold crisis of 1968 and the realignment of the DM and the French franc in 1969 were all headlined in the Japanese press. When the yen came under upward pressure in the 1970s, the working of the international monetary system itself was seldom questioned: or if it was, it was generally felt that its malfunctioning was beyond Japan's control. Japan's response was mainly 'to adjust' to external pressures.[1]

Second, many would agree that, in general, Japan maintained, until the late 1970s, a policy of relatively low exchange rates for the yen. There always was a deep-rooted and widespread sense of fear and apprehension whenever the yen was subjected to heavy upward pressure. The author would argue that this was a sensible and justifiable policy for a country whose economy was experiencing rapid and dynamic growth with an abundant supply of labour. In addition, Japan, with its almost total dependence on foreign sources for the supply of energy and other essential raw materials and also with the sense of insecurity that many Japanese feel in an unsettled world, always felt that it needed extra safety margins to maintain its export competitiveness.

Third, Japan always placed great importance on exchange-rate stability. Without any secure foundation such as the Common Market for European countries, which are linked together by long-standing common social and cultural traditions, the Japanese cannot help but feel insecure and secluded in their relations with the rest of the world. Therefore, it is natural that Japan wants an international system which can give in itself at least the semblance of guaranteed stability.

Fourth, the maintenance of a stable exchange-rate relationship with the US dollar was, and still is, of utmost priority to Japan. Compared with this, the yen's exchange rates with other currencies are of subsidiary importance. This simply reflects the fact that the keynote of Japan's external relations, be they economic or political, has lain, and will continue to lie, in the maintenance of a close alliance with the United States. This point is further reinforced by the fact that the greater

[1] See Masamichi Hanabusa, 'Japan: problems of adjustment', *The World Today*, June 1978.

part of Japan's foreign trade is still denominated in the US dollar. Therefore, Japan's preference for a unitary global monetary system based on a strong and stable dollar is a natural corollary of the close affinity, both real and psychological, that the Japanese have developed with the US.

Effects of Japanese slow-down

Are the policies and attitudes of Japan so far discussed compatible with the changing conditions of the world economy? In this regard, problems facing Japan are compounded and complicated by developments on both the internal and the external fronts.

On the domestic front, the most important fact has been a significant slow-down of Japan's secular growth rate since the beginning of the 1970s. What has been overlooked is the external consequences of such a slow-down of an economy which is the second largest in the free world. In retrospect, it was almost inevitable that when the growth of the Japanese economy slowed from over 10 per cent to about 6 per cent p.a., one of the results was a large external surplus during the transitional period. Consequently, some disturbance in the working of the international monetary system should have been foreseen.

Unfortunately, Japan's transition from a fast-growing to a moderate economy started at a time when the international monetary system itself was showing signs of breaking down. Had the world monetary system been more stable, or had Japan been a less important force in the world economy, Japan's transition would have been more easily accommodated. In the event, however, increasing instability in international monetary development tended to deter Japan's resolve to take positive action with regard to its external position while its continuous surplus accelerated the erosion of confidence in the existing monetary system during the period from 1977 to 1978.

The logical link between the slow-down of Japan's trend growth and the resulting large external surplus is simple enough. With the lowering of expectations for future growth, investment demand had to fall sharply in relation to the total demand. During the 1960s, when the economy was growing at more than 10 per cent p.a., Japan used to set aside 20–25 per cent of its GNP for private capital investment. With a 5–6 per cent growth rate considered as a realistic possibility, this ratio had to fall to about 15 per cent and the latest upheaval in oil prices seems to have had the effect of further reducing Japan's growth expectations. A huge gap between investment and saving was created ex-ante. If a post-ante identity of investment and savings had had to be arrived at domestically alone, without a corresponding reduction in the savings ratio there would have had to be a serious contraction of Japan's total national income. In the event, Japan was not a closed economy and the ex-ante oversaving had found its way into an external surplus until 1978 which had kept growing thanks to what appeared to be an almost inexhaustible appetite for Japanese exports in the rest of the world.

This does not mean, however, that the Japanese government just sat idly watching its oversaving absorbed by foreigners. A large part of the oversaving, in fact, was absorbed by the sharp expansion of the government deficit. The total public

sector borrowing requirement including both central and local government increased from 6·7 per cent of nominal GNP in 1975 to 12 per cent in 1978. However, even this size of government deficit was not enough to absorb all the domestic oversaving and there was clearly a limit to how far the government deficit should be allowed to increase.

One of the fundamental questions to be raised in this respect is whether the present monetary regime is really capable of dealing with such dynamic changes as Japan has been experiencing recently. For that matter, one can also ask if it can deal effectively with changes such as those caused by the emergence of OPEC countries as major surplus countries, the increasing competitiveness of the newly industrializing countries or, taking developments in the opposite direction, the continuous financial difficulties of the non-oil developing countries.

It may be argued tha' the international monetary system which has developed over the post-war period is essentially based on static principles. This may have been suitable for regulating monetary relationships among countries at more or less equal stages of economic development and with equal social and political backgrounds, but it is beginning to prove rather inadequate in the face of new dynamic forces such as those discussed above. Without going into detail, it seems clear that exchange-rate alteration or manipulation of domestic demand under the present monetary system is unlikely to solve problems caused by these dynamic forces.

Dynamic economic change is caused by investment which requires a flow of long-term capital. What we are seeing is the emergence of a significant mismatch between the global distribution of savings and the distribution of long-term capital flows. The fundamental role of a monetary system, be it domestic or international, is to transfer the surplus savings generated in some sectors of the system to those sectors where they can be invested productively and hence to match the pattern of savings with the pattern of long-term capital requirements. In a nutshell, the author's personal view is that the basic cause of the present monetary instability largely lies in the failure of the existing monetary system and institutions to make sufficient adjustment to the underlying changes in the pattern of savings and investment throughout the world.

On the other hand, in the present discussions on world monetary reform, too much attention seems to have been given to the question of exchange-rate regime. As we have recently witnessed, exchange-rate adjustment has become less effective in correcting balance-of-payments disequilibria. The stubborn resistance of trade unions and workers to any reduction in real income in depreciating countries, combined with the failure of companies to pass benefits of currency appreciations on to the final consumer in appreciating countries, is certainly a factor reducing the effectiveness of exchange-rate adjustment. As a result, both virtuous and vicious circles between exchange rates and domestic rates of inflation have become pronounced.

In addition, the recent doubling of oil prices poses another fundamental question about the disruptive effect of exchange-rate adjustment. The large transfer of income to oil-producing countries necessitated by the oil-price increases has not

only eliminated Japan's oversaving but also led to a substantial deficit in its current account position. The sharp rise in the relative price of oil means that the comparative advantage for Japan, which has no indigenous source of energy, will shift towards the production of less energy-intensive, high-technology, sophisticated manufactured goods, relative not only to oil-producing countries but also to other industrial countries more fortunately placed than Japan in energy resource endowment. If left to the market, the foreign-exchange rate of the yen will move in such a way as to promote the development of this new pattern of international specialization, by becoming undervalued against other industrial currencies. If these changes are forced upon us too suddenly, the immediate disruption to the world trade-flow could become politically intolerable.

At the same time, adjustment of external balance through control of domestic demand has become more burdensome. As a result of the considerable increase in the proportion of foreign trade in the national economies over the last 20 years, the level of adjustment to domestic demand that is required to eliminate a given external imbalance has also increased as a proportion of GNP. Given the generally high levels of unemployment and the increased rigidity of the labour market in nearly all advanced countries, the management of domestic demand has become politically a very sensitive issue in respect of which there is only a narrow scope for manœuvre.

Japan's future role

Where will we go from here and what role can Japan play in bringing about some kind of order and stability in international monetary affairs? In the short run, in the immediate aftermath of the recent oil crisis, Japan will probably be primarily concerned with its direct effects on domestic inflation and the balance of payments. There is a danger that all the positive actions and initiatives that Japan has rather belatedly begun to take may yet again be shelved, at least temporarily.

The experience of the 1970s has, however, taught us that events such as oil-price upheavals and subsequent 'stagflation' have tended not only to accelerate, rather than retard, but also to mask underlying changes already in progress. Therefore, once the masking effect of the initial confusion is removed, the world is likely to be faced suddenly with drastic and insurmountable changes. This is the reason why the author feels rather strongly that every attempt should be made to sustain Japan's recent initiatives, otherwise the world will probably find itself a few years hence more or less in the same situation that it faced during the 1975–8 period.

On the broad issue of world monetary reform, it would be unrealistic to expect a reconstruction in the near future of a global, unitary monetary system on the lines of the post-war Bretton Woods system. Compared with the period preceding the establishment of the Bretton Woods system, the present seems to lack a number of prerequisites for any major reform on a world-wide scale. Differences between the time of the Bretton Woods system and the present may be summarized as follows:

(i) In the present world, there is no country which can exercise the strong

leadership that the United States was able to with its overwhelming political dominance and economic supremacy during the period leading to Bretton Woods.

(ii) The sense of urgency of crisis proportions, which was felt in the course and aftermath of the 1930s depression and the Second World War, is not felt now.

(iii) Although there may be a general agreement as to the cause of the present instability, disagreement persists as to the prognosis. This probably reflects the increased diversity of the present-day world compared with the relatively simple monolothic world which existed 35 years ago.

(iv) At the time of Bretton Woods, a strong academic under-current was present, based on the general systems approach of Keynesian economics which had a significant influence on the mode of thinking of the people concerned with the creation of a new monetary system. At present there are no such influential proponents. Although monetarism is gaining influence, it is atomistic and static and therefore may not be suitable for the construction of a global and dynamic solution.

Under these circumstances, we will continue to see only gradual and partial solutions being applied to the problems inherent in the existing monetary arrangements. In the process, some attempts will be made to organize various forms of currency stabilization schemes mostly on a regional basis by countries whose intra-trading relationships are closer than their trading relationships with the outside world. However, it seems likely that no other currency arrangement will attain a higher degree of integration than that envisaged for the European Monetary System (EMS) which will remain, after all the political capital invested in it, no more than a loose attempt to fix parities among its member countries.

Managed floating will continue to be a main feature of exchange-rate arrangements. Even within a currency bloc or zone of monetary stability, a fair amount of flexibility will be allowed for changing parities among member countries in order to adjust for inflation differentials. On the other hand, since exchange-rate adjustment in real terms is more difficult to attain among countries with a high degree of interdependence—the very reason why a currency stabilization scheme is sought—pressure for other means of structural adjustment such as redistribution of income and resources, special investment programmes etc. among member countries will increase.

Between currency blocs, or between a given currency bloc and the outside world, there will be greater exchange-rate fluctuations to achieve an exchange-rate adjustment in real terms, which is probably easier to attain than within a currency bloc. Although market forces will continue to play a significant role, exchange-rate relationships among currency blocs and between leading currencies from each currency bloc will also be increasingly influenced by political considerations. What may emerge, after all, could be some sort of unofficial de facto target-zone agreements among main currencies such as the US dollar, the DM and the yen whose

principal aim would be to increase predictability of their exchange-rate relationships while efforts will be made to achieve better co-ordination of economic policies among the countries of these currencies.

With regard to the question of reserve assets, the author believes that a single currency system is simply inconsistent with the world of floating exchange rates, be it based on the US dollar or any other currency. Once the possibility of exchange-rate alteration is introduced, it is simply not wise to put all one's eggs in one basket. Furthermore, chances of some international composite currency taking over the role of the dollar seem to be very remote. Therefore, again without any official proclamation, it seems likely that the world will be moving towards a system of multi-currency reserves.

It is in this context that the recent moves by international asset holders to diversify their portfolios away from the dollar into assets denominated in other currencies have a force which goes beyond an attempt at merely averting the risk of the continuing weakness of the US dollar. While diversification is proceeding, exchange rates are likely to be more directly affected by the shifts of assets from one currency to another than by the flow of trade and investment. Unless properly handled, this process should lead to an unnecessary depreciation and undervaluation of the US dollar, with all its destabilizing effect on the workings of the international monetary and trading systems.

The role of the dollar clearly needs to be supplemented and supported by the internationalization of other strong currencies such as the DM and the yen in the long run. If the speed at which this takes place does not coincide with the diversification process, it seems almost inevitable that the international monetary scene will become even more unstable in the future. This is certainly a matter for which countries like Japan and Germany should take more responsibility than hitherto.

Japan's recent initiatives

In conclusion, reference should be made to some of the recent initiatives taken by Japan against the background of the preceding discussion.

Exchange-rate policy

In recent years Japan has adopted a more flexible approach towards exchange rates than before. The yen was allowed to rise by 30 per cent during the course of 1978, much more quickly than was dictated by inflation differentials vis-à-vis the rest of the world. Unlike the countries in the closely knit European Community, Japan can attain real changes in exchange rates which, it seems, do have a significant effect on Japanese trade and investment. Japan, by itself, can be regarded as an optimal currency area and therefore exchange-rate adjustment can be an effective tool with which to redress external imbalance. This point now seems to have been sufficiently recognized.

Japan is no longer necessarily following a low-exchange-rate policy for the yen. The sharp depreciation of the yen in 1979 and early in 1980 was only the reflection of the underlying volatility of the currencies. It is also possible to argue that when an economy has moved from a developing stage to that of maturity, the benefit of

exchange-rate appreciation outweighs that of an undervalued currency. The recent changes in Japan's attitude and psychology may simply reflect this point.

Industrial adjustment

As was indicated earlier, dynamic adjustment of balance of payments can only be possible when adjustment of the industrial structure is achieved. Monetary issues and problems of industrial adjustment are very closely interrelated, although unfortunately the two tend to be discussed separately and very often by people from different disciplines and with different inclinations.

Fortunately, in Japan, however, policies of industrial restructuring along the lines of those required from the monetary point of view have generally been pursued. Imports of less sophisticated light manufactured goods, especially from the developing countries, have been increasing rapidly of late. Also, on the export side, there has been a considerable change in the mix of export products against the background of the sharp appreciation of the yen. In the process of adjustment to the second oil crisis of 1979–80, Japan's greatly enhanced competitiveness in its exports of such technologically advanced products as video tape-recorders and numerically controlled machines is at present making a major contribution to redressing its balance-of-payments deficit.

Internationalization of the yen

In 1979, the Japanese Government announced new legislation which will remove many of the exchange control regulations. This can be regarded as a positive step forward in facilitating the use of the yen for international asset holdings by non-residents. It is estimated that altogether, some $55 billion of yen-denominated financial assets were held by non-residents at the end of August 1980: of this total, $12 billion was accounted for by non-residents' free yen deposits. A further $14 billion was held in the form of Euro-yen deposits, and investment in Japanese securities amounted to about $27–28 billion.

With the emergence of a large current account deficit, the government is showing a more positive attitude than before towards the internationalization of the yen. In a world of extremely volatile commodity and energy prices, the slow progress in the internationalization of the yen can be regarded as a serious source of instability for Japan's economy and exchange rates. After all, 80 per cent of Japan's imports consist of energy and raw materials the price of which fluctuate very widely, resulting in balance-of-payments volatility. Given the composition of Japan's imports, therefore, it seems essential that facilities for compensating financial flows must be developed if destabilizing oscillations of its balance of payments and exchange rates are to be avoided.

There is, however, one encouraging element in the recent inflows of capital into Japan which underlies the extremely important role that Japan can play in recycling oil-surplus funds. As implied earlier, the real essence of recycling is to channel the surplus saving accumulated in the hands of oil exporters into investment which is required for economic restructuring, particularly in advanced countries, through conservation of energy and development of alternative energy sources. The amount of capital necessary for this purpose is enormous and for

sustainable world monetary stability, it is vital that such investment be carried out productively. Japan is not only having to cope with this capital requirement but also can offer real hope of overcoming difficulties related to oil and energy supplies through its development of advanced technology. The recent strength of capital investment in Japan, motivated by the need to secure and develop new sources of energy, lies at the heart of recycling and therefore needs to be sustained. Internationalization of the yen is, in this respect, most intricately interwoven with the role that Japan should play in this fundamentally important type of recycling.

It is well recognized that Japan can no longer insulate its domestic monetary conditions from the ebbs and flows of international finance. Attempts in the past to regulate capital flows resulted in the pattern of capital movements which were reinforcing rather than compensating for Japan's current account position. The internationalization of the yen would mean that Japan's domestic money and capital markets will inevitably be opened to, and integrated with, the rest of the world. Interest rates will have to be determined by the free inter-play of market forces. It is only when these conditions are met that capital flows in and out of Japan will become responsive to changes in the underlying conditions of its external account, thereby reducing the volatility of yen exchange rates. It is hoped that the internationalization of the yen will provide a valuable shield for Japan's external position against the vagaries of international economic surroundings, thus encouraging Japan's long-term strategy for structural adjustment at times of both current account surplus and deficits.

Modernization and foreign policy in China

MICHAEL YAHUDA

CHINA's leaders frequently describe their country as having entered a 'new historical era' since the beginning of the drive for modernization in 1978. It is generally accepted that China's new foreign policy of opening out more to the external world, and to the West and Japan in particular, is the direct result of the fall of the Gang of Four and the modernization programme. But any attempt to assess the significance of the modernization policies for China's foreign relations should not lose sight of the fact that Chinese contemporary foreign policy exhibits an essential continuity with the course mapped out and initiated by Mao in the early 1970s. This does not mean that there have not been important new developments in Chinese approaches to the outside world since then, but it does suggest that the strategic outlook shaping China's foreign relations has not fundamentally changed. It can even be argued that the basic changes in attitudes towards foreign trade and its role in China's domestic economic development also took place a few years before Mao's death and before the initial rehabilitation of Deng Xiaoping in April 1973.[1]

It is, however, particularly in respect of international politics and strategy that continuity is displayed. The strategic thinking and outlook that first caused Mao to identify the Soviet Union as an expansionist power and to align China with the United States is not only still prevalent in Peking, but it has been reinforced by the events in Indochina and Afghanistan. In terms very reminiscent of the late Chairman himself, the party Vice-Chairman, Deng Xiaoping, told a Western interviewer recently that because of super-power conflict a new world war was inevitable, but that it could be postponed if an adequate international united front could be built up against Soviet expansionism.[2] China's contemporary leaders'denunciations of Western attempts at détente with the Soviet Union as constituting a form of appeasement are likewise very similar to statements made in the early 1970s. Nevertheless, within this strategic framework, important changes have taken place, partly because of the changing international situation and partly because of the process of modernization within China. If, in one sense, China is more hemmed in by Soviet pressure as the result of, firstly, close Soviet support sanctioned by treaty for a Vietnam with which China is engaged in a conflict likely to be as prolonged as it is bitter and, secondly, because of the Soviet invasion of Afghanistan,

[1] See Ann Fenwick, 'Chinese Foreign Trade Policy and the Campaign Against Deng Xiaoping', in Thomas Fingar, ed., *China's Quest for Independence: Policy Evolution in the 1970s* (Boulder, Colorado: Westview Press, 1980).

[2] *The Sunday Times*, 14 September 1980.

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so, in another respect, China's institutionalized links with Japan and the United States have been perceived in the Soviet Union as a threatening alliance in all but name.

Signs of flexibility

One consequence of these developments has been to heighten Chinese sensitivity to the ways in which the United States meets the challenge of the Soviet Union. Despite continued high-level American assurances that the friendship with China has been pursued as a desirable end in itself rather than as a by-product of US-Soviet relations, the alacrity with which China was offered 'non-lethal' military-related technology by the Secretary of Defence, Harold Brown, in the aftermath of the Soviet invasion of Afghanistan tended to belie that. China's Vice-Premier, Bo Yibo, noted approvingly at the start of the first meeting of the Sino-American Economic Commission in Washington in September this year that 'especially after the Soviet invasion of Afghanistan the present US Administration has been pursuing a more enthusiastic policy in its relations with us.'[3] The corollary of this is increased Chinese nervousness at the prospect of further arms control agreements between the United States and Soviet Russia (an unlikely prospect at present) or West European détente overtures towards the Soviet Union. As a recent Chinese commentary put it in criticizing by implication the French President less than a month before his visit to China, such people 'do not remember that while the bear may be momentarily appeased, its avaricious nature will not change. It is not only impractical but also very dangerous for Western Europe to exchange its "independence" from the US for a kind of permanent "détente" with the Soviet Union.'[4]

China's leaders present the Soviet invasion of Afghanistan and the Vietnamese military occupation of Kampuchea as part of a 'policy of a southward drive' aimed at strategic domination of the area from the Red Sea to the South China Sea, thereby encircling the Gulf oilfields and controlling the key international sea lanes. Not only would this threaten the Asian Pacific region but it would be part of the attempt to outflank Western Europe. This strategy, it is asserted, is being pursued opportunistically, depending 'on how the wind blows'. The Third World countries along the 'route' would be the first to bear 'the brunt of the attack', but Western Europe and Japan would also be gravely threatened. It was, therefore, incumbent on all countries to help those struggling for their independence against such attacks, for the victims of aggression were also struggling 'for international peace and security.' Moreover, all countries should seek to 'strengthen their solidarity and co-ordinate their actions' so as to halt the Soviet drive southward and eventually avoid a major war.[5] With the threat defined in this way, China's capacity to stem the alleged Soviet sweep southward is clearly limited. As will be suggested below, this is one of the arguments used within China to circumscribe the claims of military expenditure on the state's economic resources.

[3] *The Times*, 17 September 1980.

[4] A *Xinhua* (New China News Agency) commentary, 'Europe at the crossroads', in *Beijing Review*, no. 38, 1980.

[5] China's Foreign Minister, Huang Hua, address to the UN General Assembly, *Xinhua*, 24 September 1980.

Meanwhile, China has, in fact, displayed a readiness to use military force to teach Vietnam a 'lesson'. In addition to the highly publicized attack of February–March 1979, there were two incursions into northern Indochina earlier this year when Vietnamese troops crossed the border from Kampuchea to attack a Thai village. All this may be seen as conforming to Communist Chinese conventional views that an adversary's position will change only once pressure has been built up to such an extent that its inner contradictions have reached breaking point. From this perspective, Vietnam will not withdraw from Kampuchea before it is compelled to do so by a combination of the effects of guerrilla resistance and the accentuation of resultant domestic economic, social and political problems within Vietnam itself. Unofficially, Chinese experts expect a reversal in Vietnamese policies to take place within two to three years. However, indications of a more subtle and flexible Chinese position were provided by China's new Premier, Zhao Ziyang, when he softened China's preconditions for attending an international conference on Kampuchea. Hitherto this was predicated on a prior withdrawal of all Vietnamese forces from Kampuchea. The new Premier suggested that Vietnam need only begin withdrawing its troops and that the conference itself would then set a time limit for the total withdrawal of the rest.[6] There is little doubt that the primary reason for the softening of China's position was the perceived need to co-ordinate its political position with that of the ASEAN countries.

This relatively new diplomatic flexibility should be seen as part of China's more general preparedness to move away from rigid ideological positions which have tended to isolate it in the past on a number of important international issues. Thus China's stand on disarmament issues has been modified to the point of participating in the Committee on Disarmament at Geneva. (This was on condition that the Chair would rotate rather than being reserved exclusively for the two super-powers.) China's new attitude also involved a readiness to distinguish for disarmament purposes between nuclear and conventional forces.[7]

Another indication of China's new flexibility is the discarding of the term 'revisionism' as applied to the Soviet Union. Interestingly, before becoming Premier, Zhao Ziyang was widely quoted as having remarked that socialism basically consists of the observance of two principles: the public ownership of the means of production and payment according to work. By such criteria, the Soviet Union clearly could qualify as a socialist society. Indeed, there were people in China before the Soviet invasion of Afghanistan who argued precisely that.[8] Yet, an authoritative article by the veteran leader Ye Jianying, on the thirtieth anniversary of the state on 1 October 1979, defined hegemonism uncompromisingly as 'oppression at home and expansionism abroad'.[9] Nevertheless, some observers in the West thought that, before the Soviet invasion of Afghanistan, China was preparing the way for improved relations with the Soviet Union. Whether or not

[6] *Beijing Review*, no. 38, 1980.

[7] See relevant extract from Huang Hua's address to the Special UN General Assembly Session on Disarmament, *The China Quarterly*, no. 74, June 1978, in the UN section of the 'Quarterly Chronicle and Documentation'.

[8] At a November 1979 conference of social scientists in Manchuria.

[9] *Beijing Review*, no. 40, 1979.

this was the case, Chinese objections to the Soviet Union now no longer appear ideological, but seem primarily concerned with power politics. It follows that China's options regarding the relationship with the Russians may be wider than is conventionally accepted: China's modern history strongly suggests that its leaders today would not wish to negotiate from a commonly perceived situation of weakness, but negotiations for improved relations with a Russia which came to recognize that it was bogged down in Afghanistan, and which also began to see no future in giving an open-ended cheque to a Vietnam that could not successfully impose its will on Indochina, would provide different possibilities. Firstly, China would have additional leverage in its dealings with the United States; secondly, China could activate an essential complementary trading relationship with the Soviet Union by exchanging its light industrial and agricultural products for heavy industrial equipment on a barter basis which would not draw on scarce foreign currency reserves; and, thirdly, by reducing the Soviet threat China's leaders could attain the breathing space of a 'tranquil international environment' which they claim is necessary for the successful modernization of the country. But for the present, the Russian invasion of Afghanistan has brought a halt to public speculation along these lines within China. The Chinese press no longer prints articles about discussions among its academicians as to whether or not the Soviet Union is a socialist country.

Modernizing the armed forces

The path towards modernization has been far from smooth since the first grandiose plan was announced with great fanfare in the spring of 1978 for targets to be reached by 1985. By December the plan was put aside in favour of a three-year programme of economic reforms. The major sectors of the economy were recognized to be out of balance and in need of realignment in favour of light industry and agriculture, at the expense of heavy industry. Programmes were set in train to reform both the economic and the political system. One result of the new orientation of the programme of economic development has been to accord a lower priority to military modernization and to the claims that military-related industries have on economic resources. Symbolically, this was expressed by relegating the modernization of defence from third to fourth in the listing of the 'four modernizations' (i.e. Industry, Agriculture, Science and Defence). This may provide an explanation for the decline of Chinese interest in placing orders for Western advanced military equipment such as Britain's Harrier Vertical Take Off jet aircraft. The modernization of China's conventional forces, it is said, will not take place before the modernization of the economy.

Military modernization, however, is not just a question of equipment and arms; in the case of China, it has involved debates about the extent to which professionalism should be developed in what is still a People's Army, what is the appropriate balance between the different sectors and services of the armed forces and what kind of military doctrine is needed for fighting a People's War in contemporary conditions.[10] The experience of the war against Vietnam has shown up

[10] See John Wilson Lewis, 'China's Military Doctrines and Force Posture', in Fingar, *op. cit.*

infrastructural weaknesses of communications, transport, co-ordination and control. The main constraints on improving China's armaments and the military infrastructure are those affecting China as a whole—such as the shortage of trained personnel with technological or managerial skills, an unwieldy overstaffed and inefficient bureaucracy, poor transport facilities and the other well-known attributes of a less developed country. It is not just a question of a shortage of funds. An additional problem which particularly affects the military arises from the basic unfamiliarity of China's ageing military commanders with the conditions of modern warfare in the last quarter of the twentieth century. Their experience of war goes back to a much earlier era of fighting the Japanese or the battles of the civil war. Curiously, the more relevant experience of the Korean War is less discussed or analysed in the Chinese military materials available in the West.

The difficulties in changing gear in the fundamental way necessary to transform the People's Liberation Army (PLA) into a fully modernized army are immense. This perhaps explains why in the last year China has put more stress on the development of its nuclear forces. Following a series of long-range missile tests within the country, China successfully test-fired a long-range missile into the Pacific in the spring of this year. This not only demonstrated the capability to fire guided missiles at inter-continental range but also showed that China had at last acquired the technological capacity to change from liquid to solid fuels for its missiles. However, if China's force posture is to be one based on a minimal nuclear deterrent coupled with a readiness to fight a variant of a defensive People's War, it follows that China will not be in a position to project abroad its military power to any significant extent for a very long time yet. While that would not rule out the capacity to fight limited wars at or near the borders on the pattern demonstrated by the incursion into Vietnam, it does mean that, even if the current modernization drive should be successful, it will not significantly alter China's present limited capacity to exercise military pressure beyond its border regions.

Foreign trade and self-reliance

Arguably, where modernization has had its greatest impact on China's relations with the world is in the field of foreign trade. Its value has grown according to official Chinese figures from 27 billion yuan in 1977 to 45 billion yuan in 1979 and is expected to reach 51 billion in 1980.[11] Although China has not quite produced the trading bonanza that certain bankers and businessmen in the West hoped for in 1978, the growth in China's trade has reached the point where it is no longer marginal to the economy as a whole. In 1979 its value, according to Chinese official figures, was 13 per cent of the National Income (Y333 billion). China's total foreign debt by the end of 1980 has been officially calculated as US$3·4 billion. Of the Y127 billion total expenditure of the state budget for 1979, over Y7 billion was appropriated from foreign loans. These figures suggest the magnitude of the change that has taken place in China's external economic relations since the 1960s when its foreign trade was valued at just over 2 per cent of its Gross

[11] These and subsequent figures are drawn from *Xinhua* releases in *Beijing Review*, nos. 37, 38 and 39, 1980.

National Product, or the mid-1970s when it reached 4 per cent. It will be recalled that, even at those levels, spokesmen of the Gang of Four claimed that this was unacceptably high since it drew China into the world capitalist economy and threatened China's economic independence and capacity to pursue a policy of socialist self-reliance. It is too early to calculate the impact of this major change on China's economic development. But it is already clear that a growing proportion of China's industrial enterprises are being directed towards increasing the country's export capacity, with the impact felt most strongly in particular regions such as Guangdong Province (adjacent to Hong Kong) and Shanghai. The opening of special economic zones to attract foreign investment and technology through joint ventures and direct appeals by China's leaders to overseas Chinese and to the Japanese to establish long-term complementary economic relations are all indicative of the current leadership's determination to develop still further China's foreign economic relations.

These have been highly contentious issues in Chinese politics in the past and may become so again, particularly if international economic developments should alter the terms of trade in China's disfavour, or if elements in the Chinese leadership should feel that China's economic self-reliance had been unduly compromised. Already problems have emerged regarding the capacity of Chinese officials to adapt to the new complexities posed by foreign projects. This has led to some projects running below capacity or others even being cancelled. For example, the plans to build a huge foreign trade centre in Peking have been abandoned because of escalating costs and jealousy between rival governmental agencies.[12] China's first joint venture has also run into trouble: a Hong Kong firm, having finally despaired of persuading Chinese managers and workers to make reforms so as to increase both the quantity and quality of output, stopped all supplies to the new factory. Only then did higher authorities intervene to persuade the personnel concerned to mend their ways.[13] Whether or not these are to be regarded as teething or endemic problems, China's foreign economic relations are likely to grow still further. But the pace and direction of that growth remain uncertain. The output of oil with which it was hoped to finance much of the imports has proved disappointing. After a rapid growth in the early 1970s, output has grown only marginally in the last three years and the Chinese have had to cut back on the amount they had agreed to export to Japan. It is thought that China's oil potential, particularly off-shore, is large, but it will still be several years before this comes on stream. Meanwhile China's immediate export potential is limited. Although China has arranged extensive credit facilities in the West, these have not been drawn upon to any significant extent, primarily because of high interest rates. But now that China has joined the World Bank and the International Monetary Fund, it will hope to have access to development loans at especially low interest rates. Nevertheless, judging from comments made at the recent National People's Congress, foreign loans and many aspects of the import of foreign tech-

[12] *International Herald Tribune*, 2 October 1980.
[13] *People's Daily*, 30 September 1980, 'The Xiangzhou woollen spinning mill operations temporarily suspended', in BBC Summary of World Broadcasts. Part 3, FE/6543/6/1.

nology are still highly contentious in China and raise fundamental political questions as well as the practical ones of absorbing the foreign technology and foreign practices in China's socio-economic context.

Conclusions

If China's post-Mao leaders may be said to share the late Chairman's strategic perspectives on international politics, in other respects they have led China into a very different relationship with the outside world. The 'opening up of China' to the outside world, or more particularly to Japan and the West, has been of significance primarily in the economic sphere. However, the significance has been mainly to China. As a trading partner, China is of marginal importance even to Japan compared to the value of the latter's trade with its major partners in the West. This is even truer with regard to the United States, despite a quadrupling of its China trade since normalization in 1978. But the impact of the new external economic relations on China itself has already been great. As the ramifications of a growing economic interdependence with the outside world become clearer, the question of self-reliance could once again become a major subject for debate within China. Much will depend on the pattern that emerges after the three-year period of economic readjustment is completed at the end of next year or early 1982.

Although Deng Xiaoping has built up a new leadership within the Party and the State Council and has edged out those leaders remaining from the Cultural Revolution who were opposed to his rightist economic and political reforms, it would be rash to assume at this stage that the leadership question has finally been stabilized. Hua Guofeng yielded the Premiership to Zhao Ziyang, but he is still the Party Chairman at the time of writing and appears to be fighting a rearguard action to hold on to this position. It remains to be seen whether he can forge links with powerful vested interests in the armed forces and elsewhere who have reason to be dissatisfied with China's new course or who may wish to provide a check against the power of Deng and his protégés. Meanwhile, China is moving towards greater legality and institutional regularity. Yet it is interesting to note that, whatever the extent to which China may be said to have opened out to the West and become more democratic, its political system remains a very closed one. From a Western perspective, there is still no question of a formal alliance with China.

Corrigenda

The imprint of the Chatham House book by V. Sobeslavsky and P. Beazley, *The Transfer of Technology to Socialist Countries: The Case of the Soviet Chemical Industry* (see *The World Today*, October 1980, foot of p. 374) should read 'Farnborough, Hants: Gower, 1980'.

In *The World Today*, August 1980, p. 320, line 10, for 'thirteen' read 'twelve'.

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Note of the month

MR REAGAN'S ELECTION

There was little that was familiar in the American political landscape on the morning of 5 November. The voters had ditched President Carter and embraced Mr Ronald Reagan, who will take office on 20 January. More startlingly, the Republicans, with a net gain of 12 seats, had captured the Senate, which they had not held since the early days of President Eisenhower. The change in the Senate could be attributed in part to the long and costly vendetta waged against outstanding liberal Senators, three of them chairmen of committees (Church, McGovern, Bayh and Culver), by committees of the far Right and the conservative religious fundamentalists. But even in the House of Representatives the Republicans picked up 33 seats, not enough to organize the House (that is, name the Speaker, the majority leader and the heads of all committees) but enough, on occasion, to push through right-wing policies by combining with the conservative Democrats.

The size of the landslide should not be exaggerated. Landslide it was in terms of the vote in the electoral college—489:49. By this measure Reagan did better than Eisenhower in 1952 and approached President Nixon's almost total sweep in 1972. The Democrats were left with only six ill-assorted states and, inevitably, the largely black District of Columbia. But if Mr Reagan's vote was wide, it was also shallow. The popular vote was 35 million (41 per cent) for the President and 43 million (51 per cent) for his successful challenger. By comparison, President Nixon won only five more states, but crushed Senator McGovern by 47 million to 28 million.

It is worth noticing, too, that in 13 states Mr Reagan's margin was less than the number of votes cast for Mr John Anderson, the Independent, who drew 5·6 million votes, 7 per cent of the total, and in effect 'saved his deposit': by winning more than 5 per cent of the vote he will receive a federal subsidy to help pay off his campaign debts. But for Mr Anderson, the Democrats would have captured Massachusetts and several southern states. This would not have given them the election, but it would have made their downfall less humiliating.

Three of the liberal Senators who were defeated gave their opponents hard fights: Church, Culver and Bayh. In New York, the new Republican Senator won by only 45 per cent of the vote. But for Senator Javits, running on the Liberal party ticket because he had lost the Republic nomination to Mr D'Amato, the Democrat, Miss Elizabeth Holtzman, would have captured the seat.

None of this is much consolation to the Democrats now that the Republicans have their hands on the levers of power. But it is pertinent to the question of whether this November's election signalled one of the immense watersheds in American political history, comparable to the victory of Franklin Roosevelt in 1932 that inaugurated 20 years of Democratic rule and changed the whole political agenda. Some observers argue, in fact, that but for Watergate the Republicans

would have won in 1976 (as President Ford came close to doing). In this view, the Nixon scandals simply put off the inevitable for four years.

Against this view, it can be pointed out that the turnout was low, only 52·9 per cent of the eligible voters. Many voters were unenthusiastic about either candidate and there is bound to be some thought—though perhaps not much action—about what has gone wrong with the nominating process. Were the primary elections too long-drawn-out? Are there too many primaries,[1] so that the party conventions turned into a dull anointing process? Has democratic reform gone too far in excluding knowledgeable politicians from the choice of candidate?

The Democrats were assuredly hampered by the economy: over 7 million are out of work and over 200 million are feeling the pangs of inflation. Senator Bayh of Indiana thinks that this is the whole story of the election and that there was no great philosophic turnabout. But Americans are also indignant at the loss of American power and influence in the world—who would have thought that the United States could be so dependent on Arab oil and could be held to ransom by so small a country as Iran?—and took out their frustration on the man in the White House. This was perhaps especially true in the South.

Mr Carter himself made some fatal miscalculations. He had all but ignored his party, and its organization did not perform well. He and his advisers thought that Mr Reagan, with his reputation as a naïve extremist, would prove an easy mark. Instead, the President's insinuations that the Republican candidate was a closet racist and a man likely to land the United States in a nuclear war had a boomerang effect: they were seen as proof of a suspected streak of meanness in the President's make-up. The final miscalculation was the decision to appear with Mr Reagan in the campaign's sole debate between the two contenders. Mr Carter showed himself more intelligent, better informed and more experienced. But Mr Reagan made the only point that he needed to make: that, far from being a terrifying bogy, he was actually benign, relaxed, even humorous (unlike Mr Carter)—in effect as easy as an old shoe. His last words 'Before you vote, ask yourself if you are better off than you were four years ago' hit home.

Few thoughtful Democrats would deny that the great coalition between the South, blacks, minorities and the trade unions that has sustained them for half a century has cracked wide open; it was already pretty ragged at the edges. This year, only blacks gave Mr Carter the same large share of their votes (over 80 per cent) which they gave him in 1976. But Mr Reagan made significant inroads into groups that made notable contributions to President Carter's victory in 1976: the Jews, the Hispanic minorities, members of trade unions, Roman Catholics and members of the older minority groups. Even the unemployed gave the President only a bare half of their votes.[2]

It is early days yet, but Democrats are already split about which way the party should turn. To familiar figures such as Senator Edward Kennedy and Vice-President Walter Mondale, who stand for the big government, big spending policies of

[1] On the proliferation of primaries, see Godfrey Hodgson, 'American presidential and party politics: changes in spirit and machine', *The World Today*, September 1976, pp. 318–21.

[2] Figures taken from the *New York Times*/CBS survey of voters leaving the polls.

the past? Mr Kennedy has lost his podium in the Senate judiciary committee; Mr Mondale is tarred with the Carter brush. Anyway, is old-fashioned liberalism the answer? Many people suspect that the have-nots who kept the Democrats in power so long are now—apart from the blacks and the Hispanics—haves, who do not want to lose what they have gained.

One Democrat who gave the issue thought even before the election is the young Senator from Massachusetts, Mr Paul Tsongas. He believes that the New Deal and Fair Deal have run out of steam and no longer correspond to the realities that America faces in the 1980s. He argues that it was a terrible mistake to keep down oil and gas prices; it simply encouraged wasteful use of a costly and limited resource. He favours nuclear power. He thinks that only a robust private sector can generate the jobs and wealth that are needed to pay for humane policies for the disadvantaged. Therefore, there should be tax cuts for business, not tax cuts for individuals that lead to more consumption. Ironically, this all sounds a bit like President Carter's ideas. But what will probably govern what the Democrats decide is the tone and the success or failure of the Reagan Administration.

How Mr Reagan uses his great victory will determine whether this election represented simply a demand for a change, or whether the Republicans can form a broad-based coalition of their own that will vie with the Democrats for the right to govern. There are diverse, sometimes warring, elements in the groups that surround the next President: businessmen with broad outlooks and narrow ones, ideologues of various stripes as well as the farmers, blue-collar workers and middle classes that he attracted. Democrats and independents voted for him as well as Republicans. He has to show that he can weld these groups together and be a President of all the people—not just those who voted for him.

By the time that the President-elect announces his Cabinet, probably early in December, it should be possible to judge whether the places of power are going to the mainstream Republicans who served in the Ford and Nixon administrations or to those newer elements from the far Right that want to see radical changes. In the economic field, it seems likely that the 'supply-siders' (those who believe that large cuts in taxes will get the economy moving again, and will pay for themselves by returning large increases in revenue to the government) will lose the battle. The holders of the big economic jobs will, in all probability, be chosen from the ranks of the orthodox. A tax cut there will be, but probably not of the order of 30 per cent or so over the next three years.

Of greater importance to America's allies is the struggle for two great offices, the Secretary of State and the Defence Secretary. There are strong pressures to make Senator Henry Jackson, who has lost his chairmanship of the Senate energy committee, Secretary of State. He is a hard-line anti-communist and shares Mr Reagan's views about the importance of Israel to American policy in the Middle East. As a Democrat, he would symbolize bipartisanship. The other strong possibility (if he can be persuaded to take leave of Bechtel Corporation) is the able and experienced (both in business and in government) Mr George Shultz, who is backed by some well-known Republican figures—including Mr Henry Kissinger. Mr Shultz would be a fresher mind than Senator Jackson, and is close to the Presi-

dent-to-be, but he leans towards the Arabs. Possibly Mr Jackson would be willin to head the defence department.

Mr Reagan will also have problems reconciling some of his election campaig promises. One of his attractions to the voter was his insistence that the Unite States should have a stronger, and steadier, voice abroad. Yet one of the fir things he seems likely to do is to remove the embargo on the shipment of mo American grain to the Soviet Union, which Mr Carter imposed after the attack o Afghanistan. The removal of the embargo was promised to American farmers.

Very large increases in defence spending are also promised and this raises bot questions and difficulties. Is the money to be spent on bombs and missiles, or o the ground forces, maintenance and mobility in which the United States is weak How is it to be found if there are to be large tax cuts for individuals and for busi nessmen? Any early approach to a balanced budget—another of Mr Reagan' promises—is no longer expected.

Mr Reagan insists that, with the help of good managers, immense amounts ca be saved by cutting out waste and fraud. Men who have served in Washington ar sceptical about this hope, which many incoming presidents have held, but hav found elusive. Mr Reagan also hopes to have a collegiate sort of Cabinet, wit heads of department being less the mouthpiece of their civil servants and depart mental interests and more the instruments of the President's will. Mr Carte had similar ideas—they came to nothing.

Mr Reagan will start with one distinct advantage over his predecessor: a Con gress sympathetic to many of his ideas, particularly to the aim of reducing the siz of government and its interference with business. The turnover of power in th Senate will bring to the chairmanships of powerful committees men like Senato Thurmond; he will head the Judiciary Committee that passes on appointments t the Supreme Court and other federal courts. He is also keen to bring back capita punishment. The Foreign Relations Committee will pass to a moderate Republi can, Senator Percy, but one of the most conservative men in the Senate, Mr Orri Hatch of Utah, will head the Labour Committee. Regulations on health in th workplace seem certain to be weakened. So do the clean-air rules, which have t be extended next year. The field in which the religious fundamentalists will expec to be rewarded for their support is that of abortion (they seek a constitutional ban and other matters concerning the family and morals. With many Democrats i sympathy, the President's job may be to restrain the over-enthusiastic. The firs signs are hopeful. The President seems to have used his influence with right wingers to allow Senator Howard Baker, a moderate and able Republican, t become the majority leader in the new Senate; he is now the minority leader. An among his first appointments, Mr Reagan has chosen as his White House chief of-staff Mr James Baker, who is said to favour both moderation and frankness i public policy.

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The predictable Germans: 1980 election retrospect

CAROL CARL-SIME and JANE HALL

'GERMANY remains predictable'—Chancellor Schmidt's first public reaction[1] to his government's increased majority neatly summed up the mood of the West German electorate. The prospect of radical change implied in the Opposition's promise of a 'great turning-point' in West German politics was rejected in favour of continuity and stability, especially since such change was symbolized by the figure of Franz Josef Strauss, considered by many unpredictable and not to be trusted in crisis situations.

Indeed, even within his own camp, the Union (the Christian-Democrat parliamentary and electoral alliance of CDU/CSU), Strauss was regarded as a controversial choice for the Chancellor candidacy. He could hardly be viewed as an integrating force, given his close identification with the strong Catholic-conservative political culture of Bavaria and the minority position of his Bavarian CSU within the party system as a whole and within the Union alliance in particular. The CSU's numerical inferiority—53 seats to the CDU's 190 in the 1976–80 Bundestag session—belies the considerable weight of CSU influence vis-à-vis the CDU, to whom Bavaria is offered as a South German model of traditional conservative values.[2]

North–South polarization

The importance of this North–South dimension for the Union's electoral chances had been variously interpreted with regard to the Union's prospects for 1980. Although Professor W. Kaltefleiter, for example, stated as early as December 1976 that the Union could only win in 1980 with a Northern-oriented strategy designed to attract the more liberal Protestant vote,[3] it was the CSU analysis of the 1976 election with the overwhelming success of the aggressive campaign fought in the South[4] which tipped the scales in favour of Strauss for 1980 and away from the less right-wing North German candidate, Ernst Albrecht. The inability of Strauss to appeal to the middle ground of West German politics and act as a

[1] In a television interview on election night, 5 October 1980.

[2] Cf. C. Carl-Sime, 'Bavaria, the CSU and the West German party system', *West European Politics*, vol. 2, No. 1, January 1979.

[3] W. Kaltefleiter, 'Der Gewinner hat nicht gesiegt', *Aus Politik und Zeitgeschichte*, 11 December 1976, p. 35.

[4] Where the slogan was 'Freedom *or* Socialism' rather than the North German version 'Freedom *instead of* Socialism'.

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unifying force was confirmed by opinion polls soon after his nomination as Chancellor candidate in July 1979. In all the Northern *Länder*, the majority of those questioned considered the Union's chances of winning the 1980 election far greater with Albrecht as Chancellor candidate. The proportion of Union supporters no longer prepared to vote for their party with Strauss as candidate was noticeably higher in the North—13 per cent compared with only 5 per cent in Bavaria.[5] The decision in favour of Strauss was motivated not least of all by expectations of a more aggressive campaign than in 1976, with Strauss providing the confrontation and sense of direction within the Union considered necessary to obtain an absolute majority.

Theoretically, the scope for total confrontation was to be limited this time by the introduction of a five-man arbitration committee (headed by an ex-military bishop!) to monitor the parties' adherence to the principles of a fair campaign. In practice, however, the cases heard served to encourage greater mudslinging by inflating certain issues beyond their original importance. Furthermore, it raised the question of the need for such an institution which seemed to demonstrate the peculiarly German approach to the regulation of conflict by institutional means. This was widely interpreted as a distortion of democratic principles in that it interfered with the right of the voters to judge the issues for themselves.

The polarization of the campaign in the form of the personality of the North German Protestant Schmidt versus the South German Catholic Strauss was an aspect upon which the media seized. This personalization was disadvantageous to the Union, for opinion polls consistently showed Strauss to be a major electoral handicap for the Union with his popularity ratings far below those of Schmidt and even those of the Union itself. The performance of the CDU in the four Landtag elections after Strauss's nomination as Chancellor candidate appeared to confirm the bleak prospects for the Union with losses of 1·9 per cent in Bremen, 3·3 per cent in Baden-Württemberg, 5·1 per cent in the Saar, and 3·9 per cent in North-Rhine Westphalia. The latter, in particular, was considered an important indicator since, in addition to being by far the most populous *Land* (with almost one-third of the electorate), it was one of the few Northern *Länder* where the CDU leader, Kurt Biedenkopf, was closely identified with a pro-Strauss strategy. Also, it provided a fairly representative cross-section of the federal electorate which, taken together with the timing—the last regional election and only five months before the federal election—added up to a dress rehearsal for Bonn.

A Strauss–Schmidt poll published just before the North-Rhine Westphalia election in May 1980 appeared to confirm the negative effects of the 'Strauss factor': on a points rating of −5 to +5 Strauss received +0·18 compared with Schmidt's +2·12.[6] Although some leeway was made up between May and October, Strauss, still encumbered by his reputation as an impetuous, uncontrollable, demagogic figure, was unable to close the credibility gap. He could not dispel misgivings about his leadership qualities even among Union voters: an eve-of-election poll revealed that only 2 per cent of SPD voters were dissatisfied with

[5] *Der Spiegel*, 9 July 1979, pp. 25–8. [6] *ibid.*, 5 May 1980, p.44.

their Chancellor candidate Schmidt compared with 28 per cent of CDU/CSU voters with Strauss.[7]

Bogy of socialism

In an attempt to compensate for this obvious Strauss handicap, Union strategists took the offensive at an early stage, dictating the issues of the campaign with forebodings of rampant socialism under the continued rule of the Social Democrats. The SPD was portrayed as a party promoting Soviet interests both at home and abroad, with a lack of commitment to the Western alliance. In this vein, the Union adopted a campaign 'against the systematic incorporation of West Germany into the Soviet power system'. The SPD '*Total-Staat*' was characterized as anti-family, anti-pensioners, pro-bureaucracy and steeped in public debt as a result of irresponsible government spending. This latter point was raised in a pastoral letter from Catholic bishops just three weeks before the election, the timing of which indicated massive clerical support for the Union, particularly since this issue had never been mentioned before by the Catholic Church. This action harked back to the 1950s under Adenauer when such letters urging Christian voters to support their 'Christian' candidate (i.e. representing the Christian Democratic/Social Union) were commonplace.

Striking to the foreign observer was the lack of issues introduced by the SPD, apparently content to rest on its laurels as '*Staatspartei*' and on the expected 'Chancellor bonus'. This latter aspect clearly demonstrated the extent to which the Chancellor's Office dominated the SPD's electoral strategy against the wishes of the grass roots, who were anxious to avoid creating extra distance between the Chancellor and his party. The emphasis on foreign policy with Schmidt in the role of peace-maker was generally considered a shrewd tactic (particularly after Afghanistan and the subsequent Olympics boycott) until it misfired. The cancellation of Gierek's visit to the Federal Republic and of Schmidt's talks with the East German leader Honecker in the wake of events in Poland presented a setback to the government's *Ostpolitik* and provided the CDU/CSU with an opportunity for taking the offensive on domestic issues, in particular the question of the public debt.

The SPD's emphasis on 'security' with the slogan 'Security for the Eighties' resembled Union strategy of the 1950s and 1960s when slogans such as 'No experiments' (1957) and 'Better safe than sorry' ('*Sicher ist sicher*', 1965) were the keynote of Union campaigns. After 11 years in power, the SPD was clearly beginning to see itself as the natural party of government, for which appeals for continuity and stability and for preserving the status quo in the figure of Schmidt took precedence over programmatic innovation.

The FDP's balancing act

The strategy of the Liberals (FDP) was characterized by an emphasis on the role of their party leader, the Foreign Minister and Vice-Chancellor, Hans-Dietrich

[7] Mannheim electoral research group poll quoted by the second German television channel, ZDF, on 5 October 1980.

Genscher, as a moderate figure unimpressed by the Schmidt–Strauss polarization. The FDP was anxious to stress three points: first, continuity in the form of a return to power of the Schmidt/Genscher government; second, a strengthening of its 'braking' function vis-à-vis its senior coalition partner, the SPD (against one-party rule), and third, its opposition to Strauss. The dominant theme in the FDP's campaign was the question of the party's survival, expressed by the slogan 'This time it's all or nothing' (*Diesmal geht's ums Ganze*), an issue actualized by the exclusion of FDP representation from three *Land* parliaments after its failure to clear the 5 per cent hurdle (in Hamburg and Lower Saxony in 1978 and North-Rhine Westphalia in 1980). The function of the FDP as the political centre of the three-party system was offered as a guarantee against an absolute majority of either of the major parties and thus against radical policies from either the Left or the Right.

The electorally precarious position of the FDP was to be decided by two main factors: in the first place, the extent to which it could attract marginal voters from the other parties, since only half its support came from regular FDP voters, and, secondly, its dependence on the electorate's discretionary use of its second vote, the vote which ultimately determines the total strength of the parties in the Bundestag by proportional representation.[8] Interestingly, the FDP has not obtained parliamentary representation via the first vote (direct constituency mandate) since 1957 and is thus dependent on the proportional representation of the party *Land* lists for its parliamentary seats.

Concentrated efforts were made by all three parties to explain the mechanics of the two-vote system, especially by the FDP, which took the initiative by declaring 'Guiding principle '80—second vote FDP'. It was only then that the other two parties responded with similar campaigns. In the case of the Union, the point stressed was that *both* votes should go to the CDU or CSU, whereas the SPD chose to link the second vote to the person of Helmut Schmidt with its slogan 'Only your *second vote* is your *direct* vote for the Federal Chancellor'.

The results and their implications

	1976		1980		
	%	*seats*	%	*seats*	*% gain/loss*
CDU/CSU	48·6	243	44·5	226	−4·1
SPD	42·6	214	42·9	218	+0·3
FDP	7·9	39	10·6	53	+2·7
Greens	—	—	1·5	0	+1·5
Others	0·9	—	0·5	0	−0·4
Turnout	90·7		88·7		−2·0

The second-vote campaign certainly made voters more aware than ever of the mechanics of the electoral system since the most prominent feature of the 1980 election result was the impact of the increased use of differentiating first and second votes, an aspect from which the FDP benefited substantially. It obtained 7·2 per cent of first votes and 10·6 per cent of second votes compared with its 1976 result of 6·4 per cent of first votes and 7·9 per cent of second votes. Whereas in the

[8] For further details on the West German voting system, see Tony Burkett, 'Germany divided: the 1976 Bundestag election', *The World Today*, November 1976, pp. 425–6.

previous two elections ticket splitting had occurred mainly among supporters of the coalition parties SPD and FDP, this time Union supporters, too, were prepared to split their vote. In the latter case, such action was seen as a solution to the dilemma: CDU/CSU yes, Strauss no. The parallel to the 1961 campaign is striking: then the FDP was exploiting the popular mood against Adenauer with its slogan 'With the CDU, but without Adenauer' and was able to achieve its best result ever, i.e. 12·8 per cent compared with 7·7 per cent in 1957. The difference this time was that the FDP was not suggesting a *change* of Chancellor but *continuity*, stabilized by a strengthened FDP presence within the government coalition.

Ironically for the SPD, it was the junior partner that benefited from the 'Chancellor bonus' more than the SPD itself. The latter's slight increase of 0·3 per cent indicates, too, its inability to capitalize substantially on the anti-Strauss mood within the Union. Fear that the SPD might move further to the Left with a considerably increased majority accounts for the strengthening of the political centre. The typical FDP voter in 1980 was perhaps best characterized by the Editor of the *Münchner Merkur* who wrote on 6 October: 'There is a type of affluent citizen—semi-informed, semi-intellectual, with a discerning taste, preoccupied with keep fit, second car and *nouvelle cuisine*, burdened by sexual problems—for him the SPD is too "socialist" and the Union too "reactionary", especially when Strauss has the final say. He believes the FDP personifies the best of both worlds, he seriously thinks that if he gives it his vote, then he can reconcile his progressive-liberal tendencies with his material greed.'[8]

What conclusions must the parties draw from these results? Certainly, where the CDU/CSU is concerned, Professor Kaltefleiter's analysis appears correct. In view of the North–South dimension—accounting for the shattering losses of the Union in the North (in particular −5·2 per cent in Schleswig-Holstein and −5·9 per cent in Lower Saxony, both CDU-governed *Länder*)—a so clearly Southern-oriented Right-wing candidate like Strauss cannot integrate the Union vote sufficiently to achieve the absolute majority needed. Indeed, the 1980 result was the worst for the Union since 1949. Although it re-emerged as the largest party in the Bundestag, this must be regarded as a hollow victory for a party clearly needing an absolute majority to govern. This was a point emphasized by the CDU leader in Hessen, Alfred Dregger, on election night when he stated that there was a 'three-class voting system' operating in West Germany to the disadvantage of the Union. In his words, the FDP needs only 5 per cent of the votes in order to govern, the Union, however, 50 per cent.

The Union's future strategic orientation must be more consciously geared to the political centre where it lost its support this time. Whether this implies a direct wooing of the FDP will depend not least of all upon tensions in the government coalition and on how well the FDP performs in the Landtag elections in 1982.

The FDP's problem reflects the traditional schizophrenic nature of German liberalism. Anxious to accommodate both the Left and the Right, it needs to retain and consolidate its newly-won support: 'refugees' from both the conserva-

[8] Quoted by N. Grunenberg in 'Heiter als wäre nichts gewesen', *Die Zeit*, 10 October 1980, p. 4.

tive camp attracted to the FDP Economics Minister, Count Lambsdorff, labelled by Genscher 'the Erhard of the Eighties', and equally those from the SPD attracted by the Interior Minister, Gerhart Baum, a representative of progressive liberalism (best known for his public dialogue with the ex-Baader-Meinhof associate, Horst Mahler). The FDP is fully aware that it has benefited from a unique constellation of forces operating in favour of increased centripetalism, unlikely to recur in the form of the Strauss factor in 1984.

Where the government coalition is concerned, tensions between the two partners can be expected in the areas of co-determination (*Mitbestimmung*) in the iron and steel industry (Mannesmann), tax and pension reforms, and public expenditure, where fundamental differences exist. Although there is largely consensus on foreign policy issues, the government is unlikely to win electoral points in this area, as it will be increasingly committed financially: both to strengthening the Western military alliance and the European Community and to expanding its development aid to the Third World. In addition, uncertainty about the prospects of Helmut Schmidt running for Chancellor in the 1984 election adds weight to the view that, although 1980 failed to produce the great turning-point, major changes may lie ahead.

The controversial economics of the Brandt Report

GRAHAM BIRD

Economists disagree about both the causes of the world's economic problems and the policies that should be pursued to alleviate them. The Brandt Report's recommendations are therefore unlikely to lead to practical implementation.

THE Independent Commission on International Development Issues was launched towards the end of 1977 under the chairmanship of Willy Brandt. According to its own terms of reference, the task before it was, 'to study the grave global issues arising from the economic and social disparities of the world community and to suggest ways of promoting adequate solutions to the problems involved in development and in attacking absolute poverty.' The Commission's work has been timely both because of the continuing severity of the problems with which it attempts to deal and because of the general lack of progress that has been achieved in negotiations between the developed industrial countries of the North and the developing countries of the South. The Commission's Report, published in early 1980,[1] has aroused considerable interest, even though the official response to many of the ideas which it contains has often been luke-warm. Indeed, in some quarters the reception has been decidedly hostile. The British Foreign Office, for instance, in a memorandum to the House of Commons Overseas Development Sub-committee attacked the Report for being ill-conceived, and went on to dismiss almost all the proposals that it contains.[2] The purpose of this article is not to examine in detail the range of specific proposals that are advocated in the Report but rather to extricate from it the underlying economic principles upon which these are based, to examine the validity of these principles and to draw attention to the availability of alternative analyses and policy prescriptions.

On the basis of any criterion, the world economy has performed poorly in the period since the first substantial increase in oil prices in 1973. During this time, the world's rate of inflation has accelerated and the level of employment and rate of growth have fallen, giving rise to an unusually high level of spare capacity in the world economy. Not only have there been signs of inefficiency, however, there have also been signs of increasing inequity. Particularly hard hit by world economic developments have been the poorest or least developed countries which have been unable to attract the necessary capital to maintain growth in the face of the deterioration in their balance of payments. In many cases, these countries which

[1] W. Brandt and others. *North–South: A programme for survival* (London: Pan Books, 1980).
[2] As reported in *The Guardian*, 17 July 1980.

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already had per capita income levels of $250 and less have actually experienced falling standards of living. It is the basic theme of the Brandt Report that appropriate international action can make a significant contribution towards dealing with the twin problems of inefficiency and inequity.

World Keynesianism

Although at no point in the Report is there a clear statement of the economic model upon which its proposals are based, careful reading can leave little doubt about the model that was implicitly adopted.[3] The Commission argues that, in conditions of under-utilized capacity, a transfer of resources to developing countries will have the effect of raising world aggregate demand and of lowering the level of world unemployment. According to the Report, developing countries will benefit from such a transfer in terms of the alleviation of the foreign-exchange gap which currently constrains their development, while developed countries will gain from the expansion in demand for their exports. Encapsulated in the preceding policy prescription are a number of assumptions with regard to economic principles. The most fundamental of these relates to the basic macroeconomic relationships which determine the performance of an economy.

Keynesian analysis which, not coincidentally, grew out of the stagnation of the 1930s, attributes unemployment primarily to a deficiency in aggregate demand. On the basis of such analysis, the cure is simply to encourage demand to expand. Fiscal policy represents the prime vehicle through which this expansion may be achieved, and this may be manipulated in such a way as either to adjust the overall balance between total government expenditure and total tax receipts, or to alter the distribution of a given level of expenditure and taxation. In the latter case, the efficacy with which fiscal policy influences aggregate demand depends on the fact that different groups within society exhibit different propensities to spend and save. If relatively rich people have lower propensities to spend at the margin of income than do relatively poor people, then it follows that a redistribution of income from rich to poor will serve to raise the community's average propensity to spend and this will, in turn, raise the level of aggregate demand. Keynesians maintain that this increase in aggregate demand will not have any significantly adverse effect on the price level or the rate of inflation for the simple reason that it will be matched by an equivalent increase in the real supply of goods and services. It will be output and not prices that in the main will respond to the increase in demand.

The functional use of fiscal policy in this way, which characterizes Keynesian economics, also underpins the Brandt Report. The difference between the conventional Keynesian model and the model employed by the Brandt Commission relates to its spatial application. The Brandt Report is Keynesianism at the world level. In certain ways, this spatial aspect is strategic, since many of the criticisms that have been levelled at conventional Keynesian wisdom have, in particular, challenged its applicability to an open economy. Economists subscribing to the New Cambridge School, for instance, maintain that most of the impact of expan-

[3] The model is perhaps most clearly reflected in Chapters 3 and 15 of the Report.

sionary fiscal policy is in fact felt in terms of a deterioration in the balance of payments rather than an improvement in the level of employment. This criticism, however, constitutes less of a problem as the economy under consideration becomes less open. In the extreme, the problem disappears altogether for a closed economy—i.e. an economy with no trading relationships—since in these circumstances there is no balance of payments as such. The important point here is, of course, that the world economy is a closed economy.

The fact that the world economy is closed is also important for another reason. A central component of Keynesian theory is the concept of the multiplier. This suggests that any initial expansion in an autonomous element of expenditure will bring about a larger or multiplied increase in national income. The size of the multiplier will vary inversely with the size of leakages in the circular flow of income such as saving, direct taxation and imports. For the world economy there will be no import leakage, and therefore, as compared with trading economies, the size of the multiplier will tend to be higher.

For these reasons, it might seem at first sight that Keynesian economics is more appropriate to the world economy than to individual open economies and that the Brandt Commission has, therefore, shown considerable sophistication in choosing to use this model.

Monetarist criticisms

Monetarists[4] will argue that the Brandt Commission misinterprets the causes of the current world economic situation and, as a consequence, goes on to advocate completely inappropriate policies that will do more harm than good. Monetarists maintain either, that the currently high levels of unemployment are not the result of a deficiency in world aggregate demand, but of social and structural changes, or, alternatively, that unemployment is a largely inescapable side-effect of reducing the rate of inflation. In explaining the world's poor economic performance during the 1970s, they reject the view that this has been caused by the rise in the price of oil, seeing this argument as a simplistic and invalid example of *post hoc ergo propter hoc*. Instead, they maintain that an over-expansion of the world's supply of money was the major cause of both the acceleration in the world's rate of inflation and the increase in unemployment. According to monetarist doctrine, the policies advocated in the Brandt Report will at best have a beneficial effect on real output only in the short run and will, in the long run, unambiguously serve to increase the rate of inflation, with no gain being felt in terms of additional output.

What the Commission regards as the major cause of inflation is, in fact, left somewhat ambiguous in its Report. In some places, the Commission's choice of words seems to be based on a fairly conventional curvilinear Phillips curve relationship between aggregate demand and price inflation. In others, it seems to be

[4] The terms 'Keynesian' and 'monetarist' are used as a convenient shorthand. There is still considerable disagreement amongst economists as to what precisely constitutes the Keynesian model and whether, in any case, this model accurately reflects the one that Keynes had in mind. Even more disagreement exists over the precise definition of 'monetarist'. Such doctrinal controversy is, however, not directly relevant to this particular article and the interpretation of the terms as used here should be clear from the text.

assumed that the Phillips curve has a pronounced L shape with the angle of the L occurring at full employment, while in still other places it appears that cost inflation is assumed. Thus, on page 241 of the Report, it is argued that, 'the present continuing high unemployment causes uncertainty about future levels of demand and employment and generates cumulative reactions in ways which may result in greater cost-push and inflationary tendencies, rather than less.' The argument here seems to be that any moderating effect on prices which is normally attributed to falling demand has been outweighed by the cost inflation which has been caused by uncertainty about future levels of output. Although, at a superficial level, this argument is supported by the fact that during the mid-1970s inflation was accelerating at the same time as unemployment was high and rising, the simultaneous existence of unemployment and inflation may also be explained in quite different terms. Critics of the traditional Phillips curve point to the crucial significance of expectations in the inflationary process. Under an expectations model of inflation, policies designed to bring about an expansion in demand will fail to raise the level of employment above its so-called natural rate[5] unless there is a period of time during which workers fail to adjust their expectations about the rate of inflation to the actual rate that is being experienced; even then, the higher than natural rate of employment will only exist for the duration of this adjustment lag. As soon as workers bring their expectations into line with actual experience, employment returns to its natural rate. According to the expectations model, and assuming that the economy is currently at its natural rate of employment, any benefit for employment from expansionary demand policy will be purely transitory. In the long run, there will be no trade-off between inflation and employment. Indeed, the consequences for employment may for a significant period of time be negative as governments are forced to try and bring inflation down from the high rates that their own expansionary policies induce. Any short-term benefit in terms of lower than natural unemployment will be counterbalanced by a subsequent cost in terms of higher than natural unemployment. The expectations model suggests that expansionary demand policies will only have a permanent effect on real output and employment for as long as the level of unemployment is above its natural rate.

Applying this analysis to the world economy, it follows that if world employment is currently at its natural rate, then the principal effect of the policies advocated by the Brandt Report will be to raise the world rate of inflation. More appropriate than expansionary policies would be policies directed towards lowering the natural rate of unemployment by encouraging the structural changes in the world economy that market forces dictate. On this basis, the interventionist policies associated with the Brandt Report would be seen as impeding this necessary structural change and as imposing continuing economic inefficiency on the world.

[5] The natural rate of unemployment is the rate that exists when the labour market is in equilibrium, i.e., when the real wage is at a level which equates the demand for labour with the supply of labour. It is unemployment caused by factors other than a deficiency in aggregate demand such as labour immobility and the state of workers' preferences as between work and leisure. While being a concept which monetarists have greatly used, it is one about which it is difficult to be precise and to which it is difficult to attach a numerical value.

Concluding remarks

Two apparently very different views about both the causes of the world's economic problems and the policies which might be pursued in order to ameliorate them emerge from the discussion.

The Brandt Commission sees the rise in the price of oil as having had a major deflationary impact on the world economy. It feels that the recycling of oil surpluses through the International Monetary Fund and the Eurocurrency market has made a significant contribution to the maintenance of output and employment levels, and goes on to advocate an extension of this type of policy approach through various specific mechanisms. The intended effect of these policies is to reduce the level of world unemployment and to raise the level of real output. The prime movers in this approach, which is based on expanding world aggregate demand, are the developing countries to which recycling will transfer the necessary financial resources.

In contrast, monetarist critics of the Brandt Report argue that it has been over-expansion in the past that has caused most of the world's economic problems. They argue that high unemployment and low output reflect both this and the rapid structural changes that have been occurring in the world economy. Policy based on a misinterpretation of the causes of the problem will lead to higher rates of inflation and, if anything, higher rather than lower unemployment. They support a non-interventionist approach which relies on market forces.

Which view is correct? On the basis of currently available evidence, it is difficult, if not impossible, to say in advance of the policies being tried. The central issue at stake relates to the nature of world unemployment. If this is, at least in part, the result of a deficiency in aggregate world demand, then it is likely that policies of the kind contained in the Brandt Report will have some beneficial effect. If, on the other hand, unemployment is of a non-demand deficient type, then expansionary policies will be harmful rather than beneficial.

The problem is that nobody can be sure about what constitutes the current natural rate of unemployment for the world economy. As a consequence, the effects of policies become uncertain and unpredictable. This is even more true in an economic environment that is characterized by considerable instability. Even where it seems as though a stable macroeconomic relationship has been discovered upon which policy may be based, there is no guarantee that a relationship that has held in the past will continue to hold in the future. There is simply not enough information from which to choose between competing theories and on the basis of which to select policy.

In such a situation, it is perhaps not surprising that economists are in some measure of disagreement over macroeconomic theory and policy. It then becomes important to draw attention to the fact that alternative theories do exist and that they lead to different policy conclusions. The advocacy of one particular policy, therefore, becomes as much an article of faith as the result of scientific selection. The Brandt Report should be seen in this light.

Are its policies likely to be accepted and implemented? As mentioned in the introduction, their reception amongst those that matter has up to now been less

than enthusiastic. This is precisely the reception that might have been predicted. A number of governments in the world are showing disillusionment with Keynesian economics and, on this basis, would be expected to reject the Brandt Report. Others that are utterly confused by current macroeconomics are legitimately uncertain about the effects that the policies advocated in the Report would have. It is probably an accurate observation that in conditions of uncertainty there is a preference to do nothing. By default, if for no other reason, it seems probable therefore that critics of the Report will win the policy battle, and the Brandt Report will enter the history books as just another well-intentioned Report that in practical terms led to nothing.

Deadlock in the North–South dialogue

NICHOLAS VAN PRAAG

THE Special Session of the United Nations General Assembly which met in New York in August–September 1980 failed in its main task of launching a new round of negotiations designed to break the current log-jam in North–South relations.[1] Rather than clearing the path for what are known as the 'global negotiations', covering trade, commodities, development, money and finance, and energy, the Special Session provided a microcosm of all that is wrong with the dialogue between the rich countries of the North and the poorer ones of the South. The United Nations, the main forum for the North–South dialogue, emerges further discredited from this latest exercise at a moment when the Brandt Report has induced a new public awareness of the interdependence of the international economy and the dire need for concerted action if the world is to survive the crisis in global economic relations on which it is now embarking.

With the idea of the global negotiations still up in the air, this article looks behind the failure of the Special Session at the conflicting motivations of the main participants; the need for the reform of the international economic system based on a recognition of interdependence; and the difficulties of establishing procedures and an agenda to make the negotiations work.

Towards a new global round

The idea of a global round of negotiations was first broached by Algeria after UNCTAD V in June 1979.[2] As a militant member of both the Group of 77 of developing countries and the Organization of Petroleum Exporting Countries (OPEC), Algeria's initiative was prompted at once by frustration at the lack of progress in North–South relations and a desire to head off the growing resentment felt against OPEC in the non-oil developing countries. The Latin-Americans, in particular, had made it clear at UNCTAD V that they were no longer willing to abet OPEC in the exclusion of oil from the North–South dialogue without significantly increased aid. The oil bill of the non-producing developing countries has risen from $29·2 billion in 1978 to an estimated $57·8 billion in 1980.[3] Meanwhile, less than $5 billion is expected to find its way back to these countries this year as aid, with a disproportionate share going to Muslim states.

Algeria's suggestion allowed the OPEC countries to side-step the main thrust of the attack in a round of negotiations in which energy would be but one of several items on a wider-ranging agenda. Meanwhile, they were able to pay lip-service to

[1] The Special Session did, however, agree on a text for the International Development Strategy for the 1980s, and another on the plight of the least developed countries.

[2] See Stephen Taylor, 'UNCTAD V: part of a long haul', *The World Today*, August 1979.

[3] World Bank Report, 1980.

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the solidarity of developing countries by offering the rest of the Third World the energy carrot to wave before the West against concessions in other areas. The plan was swiftly endorsed by the conference of non-aligned countries at Havana in September 1979[4] and subsequently adopted as a resolution of the General Assembly in December 1979.

Irrespective of the particular genesis of the idea of global negotiations, and the frustration and mutual suspicions created by previous exercises,[5] a new round of the North–South dialogue offered an immediate tactical advantage to the Third World as a whole. The cohesion of the Group of 77 has been increasingly tested by the very different levels of development and frequently opposing interests of the 120 states that negotiate under its umbrella in the United Nations. The global negotiations provided an opportunity to patch up this fragile unity, and thus the Group of 77's negotiating muscle, behind a cause to which all its members could subscribe.

The chosen vehicle quickly emerged from the Group of 77 preparatory discussions held in New York early in 1980 in the form of renewed demands for the fundamental reform of the international financial institutions, the World Bank and the International Monetary Fund (IMF). Third World politicians and diplomats have become progressively forthright in their demands for the reform of the Bretton Woods institutions whose representative structures and operating policies they see as closely associated with the status quo at the time of their creation after the last war, and as such ill-conceived for dealing with the special needs of an independent Third World. Fragile developing economies, they argue, debt-ridden, lacking foreign exchange and declining rather than growing, are too weak to withstand the pressures of, in particular, the Fund's rigorous economic prescriptions. Jamaica's rejection in March 1980 of the Fund's terms for a $400 million short-term facility is but the latest example cited by the Fund's critics of the unsuitability of its approach to Third World problems.

The Western industrialized countries, in the midst of recession and cut-backs in development aid, were drawn into the global negotiations reluctantly. A 'pig in a poke' is how one British diplomat described the global round, in which he feared that the West might be forced to make important and binding concessions on the international monetary system and resource transfers in return for empty declarations of intent from OPEC on energy. Nevertheless, while identifying their primary aim as keeping Third World 'reforms' to a minimum, they saw two important advantages to the global negotiations.

First, they were keen to harness the growing Third World dissatisfaction with the oil producers, and bring energy into the mainstream of the North–South debate in the hope of obtaining commitments on oil price and supply: an issue OPEC had managed to exclude, with mounting difficulties, from the dialogue

[4] See K. F. Cviic, 'The non-aligned summit in Havana', *The World Today*, October 1979.

[5] Notably the Paris Conference on International Economic Co-operation (1976–7) where the selected group of LDCs invited to attend were in no mood to compromise over oil price and supply, as the West desired, without some real movement towards a revision of the rules of the game. For background, see Louis Turner, 'The North–South dialogue', *ibid.*, March 1976, and 'Oil and the North–South dialogue', *ibid.*, February 1977.

since the Paris CIEC. Second, the global round presented a fresh opportunity for the West to underline the Eastern block's miserable aid performance, and, perhaps, encourage it to play a more generous role in what could now more accurately be described as a West–South dialogue. Blaming the woes of the Third World on the capitalist system, the Eastern countries are 'enclosed in a dialectic that no longer interests anyone, and which they themselves have ceased to believe', according to Claude Cheysson, EEC Development Commissioner.[6] OECD figures illustrate the practical implication of this stance: Comecon countries give only 0·04 per cent of their GNP in aid to the Third World, compared to the European Community's 0·4 per cent average, and the UN target of 0·7 per cent.

In addition, the political climate in December 1979 when the resolution on the global negotiations was adopted, with Soviet designs on Afghanistan becoming clearer and revolutionary turmoil in Iran showing no sign of abating, was a potent factor in marshalling Western support for the Group of 77's proposals.

Current world economic situation

Behind these calculations based on self-interest and damage-limitation lies the disturbing world economic situation which, as the Brandt Commission has demonstrated, risks pushing the poorest countries over the brink and dragging the rest along with them unless the system is reformed in the common interest. The IMF points in particular to three features of the current situation:[7] continued very high rates of inflation; the slowdown in the growth of real output in the industrial countries, which threatens to halt the expansion of world trade and to turn into another international recession; and the large surpluses and deficits that have re-emerged in the current account external balances for major groups of countries, giving rise to concern about the ability of some countries, particularly in the non-oil developing group, to sustain their debt financing.

The industrialized countries can no longer sit back and rely on the seemingly automatic rates of growth they experienced in the boom years of the 1960s and early 1970s. After revising growth forecasts to take account of the events of the past year, the World Bank predicts an optimal 2·8 per cent growth of GNP per person for the industrialized countries between now and 1985 (compared with a low case projection of 3·1 per cent a year ago).[8] The industrialized economies are enormously dependent on imported commodities, particularly oil, and thus have a clear interest in reliable supplies and predictable prices for energy. But their interests are not restricted to oil and raw materials. They also need Third World markets for their exports of manufactures, services and foreign investments. The European Community, for example, exports 40 per cent of its manufactures to developing countries.

The oil-exporting developing countries, with an estimated $100–120 billion surplus in 1980, need stable international monetary conditions and the money markets of the West to recycle their revenues (markets which in their turn are

[6] *La Libre Belgique*, 7 October 1980. [7] IMF Annual Report, 1980.
[8] World Bank Report, 1980.

vulnerable to sudden massive movements of oil capital). They also want greater efforts at conservation, the indexation of oil prices to keep pace with inflation and industrialization for the day the oil runs out.

The newly industrializing countries (NICs), such as South Korea, Brazil and Singapore, are in most cases more dependent on imported energy than OECD countries. The sharp rise in oil prices since 1978 has raised these countries' current account deficits enormously, while recession in the industrialized countries makes access to Western commercial and financial markets both more vital and difficult. Brazil's borrowing in 1980 to cover its estimated $12 billion current account deficit (of which the oil bill accounts for $10·5 billion), will take the country's gross indebtedness to $57 billion.

Finally, the poorest developing countries, which neither export oil nor have reached the same stage of economic development as the NICs, exist in varying degrees of misery. These countries need, above all, greater resource transfers, rural development, increased food supplies and stable prices for the commodities that make up the bulk of their exports.

A critical juncture has now been reached in melding this web of interlinked interests into global economic solutions. But, as Mr Brandt points out in the introduction to his Report,* steps must first be found to implement such changes in the character of international co-operation.

Abortive UN Special Session

No progress was made in this direction in New York. Indeed the Special Session was largely eclipsed by disagreements over the contentious issue of the type of procedures to be adopted for the global negotiations. The broad lines of the procedural proposals on the table at the Special Session provided for a United Nations conference acting as the 'central organ' in the global negotiations, which, having established objectives, would farm out specific issues either to the specialized agencies, or, where no agency exists, to ad hoc groups, before putting together a final package to be adopted by consensus and implemented by governments and competent international agencies.

Differences arose over the Group of 77's demand that the 'central organ', in which the Third World would have a majority, should conduct rather than simply co-ordinate the work of the specialized agencies, such as the IMF, and ad hoc groups, and be able to reopen and renegotiate issues dealt with in these bodies if it deemed the results unsatisfactory. Central to this wrangle is the autonomy of the Bretton Woods institutions. The procedure proposed by the Third World would break the taboo on the exclusive competence of the Washington institutions and permit the 'central organ' to dictate policy changes to the IMF and the World Bank. Such a suggestion touches a very sensitive nerve in the industrialized countries whose weighted votes continue to dominate the specialized agencies. While most Western governments accept the need to bring the policies of the international

* *North–South: A Programme for Survival*, The Report of the Independent Commission on International Development Issues under the Chairmanship of Willy Brandt (London: Pan Books, 1980), p. 12.

financial agencies more into line with the needs of the poorer countries, they are adamant that such changes must come from within what have proved to be extremely effective and resilient institutions, rather than being imposed from the outside. Nevertheless, a compromise formula on procedures put forward in the closing stages of the Special Session was judged sufficiently vague and ambiguous on the key question of the central organ's relations with the specialized agencies to win the support of most industrialized countries, including seven members of the European Community, Japan and Australia.

However, the United States, the Federal Republic of Germany and the United Kingdom blocked the proposal which they saw as the thin edge of the wedge in the context of the Group of 77's declared intentions to recast the international monetary system. The risks of negotiations on these terms, they doggedly maintained, outweighed the opportunities; these opportunities have been considerably reduced in the meantime by the Gulf War which has thrown OPEC into disarray, and, with the cancellation of the November Baghdad summit, has led to the shelving of plans for a long-term pricing policy for oil.

Nevertheless, the so-called 'gang of three' came in for sharp criticism in New York from all sides of the development spectrum for what some observers saw as an ill-timed last stand. Unabashed by these criticisms, President Carter warned the joint meeting of the World Bank and IMF in Washington on 30 September against being affected by outside pressures. 'Any political pressure or unwarranted influence from any international forum which might undermine your integrity would be neither necessary nor desirable.' He further hinted that US support for the IMF quota increase, the sixth replenishment of the International Development Agency (IDA), and the US subscription to the general capital increase of the World Bank next year were likely to be affected by 'extraneous political disputes'.

Differences of emphasis

Whatever the form of words finally agreed to overcome the deep-seated differences over procedure (and there is now guarded optimism that the 35th General Assembly will accomplish this task), the negotiations proper are bound to be coloured by the climate of distrust and cynicism bred of endless procedural discussions.

Differences of emphasis exist among the Western industrialized states about what topics ought to be dealt with during the global round. Nevertheless, all agree that the experience of catch-all agendas in other UN fora indicate a need to establish priorities, while not definitively excluding any subject. The European Community was the first to get its proposals on the table in the form of a thematic approach covering energy, external balances and food. The United States added a 'world trade pledge' to this short-list and called for this 'immediate action programme' to be executed before turning to a wider range of issues.

Although ostensibly aimed at providing an integrated framework based on mutual advantage to the most urgent problems of the international economy, developing countries interpret these proposals as reflecting an uneasy attitude towards a 'global' approach that goes beyond a very limited tinkering with the

present system, while putting the emphasis on sectoral measures geared to t industrialized countries' particular preoccupations.

Several influential developing countries, notably Yugoslavia, recognize t importance of further harmonizing and defining their traditionally wide-rangi demands behind their main claims for international monetary reform lest t global round become a negotiator's nightmare. So far, however, they have r been conspicuously successful in selling the idea to other members of the Gro of 77. Nor have they come up with a practical alternative to the Western propos which they reject as concentrating too much attention on solving short-te economic problems, and ignoring the developing countries' long-standing c mands for a fundamental restructuring of the world economic system. Instead, t differences and contradictions that have long undermined the Group of 7' approach have resurfaced in sweeping demands covering the whole panoply development issues.

The heterogeneous character of the Group of 77 makes the tabling of such lo lists of demands the easy and often the only way out; a tendency the OPEC cou tries had hoped to encourage in the global negotiations to avoid concentrating t much attention on oil. However, flaws in this calculation began to appear duri the Special Session, when the President of Bangladesh, Mr Ziaur Rahman, call on OPEC to halve the oil bills of the 30 least developed countries. Now the producers' room for diplomatic manœuvre in the Third World has been furth reduced by the Iran–Iraq war which puts paid to suggestions that, following t example of the measures announced in August 1980 by Venezuela and Mexico f Caribbean and Central American oil consumers, OPEC would shortly unv special oil purchasing arrangements for other Third World importers as part of long-term pricing programme.

China, for its part, is not expected to play an active role in the negotiations. B while remaining an unswerving supporter of the Group of 77, China has spok out for a 'realistic' approach. This could be interpreted as a sign of growing in patience with the slow pace of North–South negotiations, influenced by Chin new interest in benefiting from the facilities of the World Bank and the IMF.

Soured dialogue

In the aftermath of the Special Session, the twin objectives that prompt Algeria's initiative on the global negotiations are far from being realized. Rath than a centralized negotiation in which energy would be one of several subjec the General Assembly is now inching towards compromise on a negotiating stru ture in which energy stands out as the only major issue which cannot be sidelin to a specialized agency for the simple reason that none exists. Furthermore, t Group of 77 has failed to fall into line, and behind its central call for the refor of the international monetary and financial system, a wide range of demands a emerging with energy prominent amongst them.

Most industrialized countries observe this dissipation of what had at fir appeared a potentially hazardous exercise with a certain smug relief. Reassur that their defence of the international financial institutions will ensure that the

come through the global negotiation relatively unscathed, the West is now more confident that it will be able to exploit both the non-oil developing countries' disaffection with OPEC, and the Eastern block's refusal to contribute more than rhetoric to Third World development.

While the integrated approach to the problems of the international economy set out in the General Assembly's resolution on the global negotiations contains the seeds of international recognition that it is only through a new and more concerted form of co-operation that it will be possible to brake and ultimately reverse the slide to economic chaos, the debate at the Special Session in New York showed that the darkening economic outlook has led rich and poor alike to concentrate on their own short-term preoccupations rather than on the fundamental problems that all must solve in the medium and long term. In this climate, the global negotiations, when they eventually begin—probably in the first half of 1981—risk further souring what has become a progressively bitter dialogue.

Kenya after Kenyatta

RICHARD HODDER-WILLIAMS

THE dominant question posed by observers of the Kenyan political scene since independence was: what happens after Kenyatta?[1] Behind this question lay the implicit assumption that it was only the person of President Jomo Kenyatta which prevented the ethnic divisions in the country from plunging it into chaotic instability. The reputation which Kenya enjoyed among many Africa watchers as a stable and flourishing state in which investment could be safely and profitably made was often tempered by concern that the death of Kenyatta would shatter that brittle peace which had been such a noticeable feature of the country's first 15 years of independence. Now, more than two years after Kenyatta's death, there is still the same brittle peace which characterized earlier years. The pessimists have been proved wrong.

The succession

Jomo Kenyatta died on 22 August 1978. According to the Constitution, a new President has to be elected within 90 days and during that period the Vice-President exercises the presidential functions. For some time before Kenyatta's death, a faction within the ruling Kenyan African National Union (KANU) had been perturbed by the consequences of this provision, since it would confer very real powers on a man, Daniel arap Moi, who was no part of their faction. During the 1970s, disproportionate influence was exercised by what was commonly known as 'the Family', a term which embraced not merely Kenyatta's relations in important political and business positions, of which there were a remarkable number,[2] but other politicians also, who tended to be Kikuyu from the Kiambu district. The advantages they gained from their preferential access to Kenyatta were very real and not lightly to be given up. They were, therefore, concerned lest Moi use his 90 days of presidential power to entrench his position within KANU and thus accede legitimately to the presidency.

Towards the end of 1976, members of 'the Family' began to orchestrate a movement to amend the Constitution. At the centre of this attempt was the member for Nakuru North, Kihiki Kimani, and the Gikuyu, Embu and Meru Association (GEMA), led by Njenga Karume, a relatively uneducated Kiambu tycoon whose financial power and loyalty to Kenyatta brought him nomination to Parliament after the 1974 election. GEMA is ostensibly part property company, with assets of over three million shillings, and part welfare organization and its offices are frequently grander than the KANU offices in the small Kiambu towns;

[1] See, for instance, George Bennett, 'The succession in Kenya', *The World Today*, August 1968.

[2] A splendid family tree showing how Kenyatta's family was involved in politics and business was published in the *Sunday Times*, 7 August 1975.

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but it is also a faction within KANU, although in recent months Karume has been at pains to emphasize its commercial rather than its political role. On 26 September 1976, there was a public meeting at Nakuru when the idea of changing the Constitution was first publicly presented. The rally was attended by 20 members of Parliament, including several senior Cabinet members, among them Dr Njoroge Mungai, Kenyatta's nephew and former personal physician. Mungai lost his parliamentary seat in 1974, but since then he had become Chairman of the Nairobi branch of KANU and one of the nominated members of Parliament. He still harboured ambitions to succeed his uncle as President of Kenya and was widely acknowledged as the group's prospective presidential candidate.

The 'Change-the-Constitution' group had their opponents. Outside the Central Province, there was a widespread feeling of unease that the Kikuyu, who had seemed so dominant during the Kenyatta years, were attempting to ensure the continuance of that dominant position. Moi came from a small tribe among the Kalenjin people of the Rift Valley and was seen by many as a bulwark against Kikuyu domination. The first public attack on the 'Change-the-Constitution' group came from the member for Mombasa Central and the parliamentary signatories to Ole Oloitipitip's declaration condemning the proposed amendment reads like a catalogue of non-'Family' notables. But to see the division as simply a Kikuyu/non-Kikuyu confrontation is a gross oversimplification. The Kikuyu were themselves divided. Those from Nyeri, in particular, were always jealous of the privileged position enjoyed by their Kiambu brothers; they felt, with good reason, that they had borne the burden of the Mau Mau rising against imperial rule, but that Kiambu had reaped the benefits and they still harboured resentment that the parliamentary enquiry into the brutal assassination in 1975 of their outspokenly populist MP, J. M. Kariuki, had been hushed up by 'the Family'. In addition, some Kikuyu politicians and several senior administrators believed that the Constitution should not be tampered with for patently partisan reasons (although this had, of course, been done in the past) and that the future stability and prosperity of Kenya would be best served by a non-Kikuyu president. There were thus powerful forces within KANU, especially in Nyeri and among the bureaucratic élite, which opposed the Mungai group; these forces were most strongly identified with Mwai Kibaki, the very able Finance Minister from Nyeri, and Charles Njonjo, the Europeanized Attorney-General from Kiambu.

At the beginning of October 1976, Njonjo issued a very strongly worded statement asserting that discussion of the matter was a criminal offence, punishable by death. For a few days after this questionable legal pronouncement, the Mungai group defended their position, culminating in a large public meeting at Meru where they stressed the loyalty of GEMA to KANU and their own democratic intentions. Kenyatta, however, was disturbed by these discussions and, although his prohibition on mentioning the transitional period had been formally met, the group's intentions were transparently clear. A Cabinet meeting was called to endorse Njonjo's position and to restrain the 'Change-the-Constitution' group's activities. The group now turned its attention to controlling KANU, since it was the party which would ultimately nominate the next president. Elections to the

national executive of the party, last held in 1966, were due to take place in April 1977 and both factions, eager to emphasize their own power, lobbied diligently for their candidates. The Mungai faction had, naturally, to look outside their Kiambu heartland for allies and drew to their side several maverick individuals of standing in other districts, such as Paul Ngei, Taaitta Toweet and Grace Onyango. In the event, however, the efforts of each side were nullified by Kenyatta's eleventh-hour decision to postpone the elections indefinitely. The only tactic remaining was an unconstitutional and clandestine attempt to use force to prevent the succession of Moi.[3] At the centre of this drama was the Assistant Chief of Police in the Rift Valley, James Mungai,[4] and his Stock Theft Unit, which underwent surprising parachute training and enjoyed comforts and supports that began to cause something of a scandal. The plan assumed that Kenyatta would die in Nakuru, where he now spent the majority of his time, and that what was in effect a private army (the so-called 'Ngoroko' special police unit) would assassinate leading politicians such as Moi, Kibaki and Njonjo when they were summoned to Kenyatta's deathbed.

But Kenyatta died in Mombasa, not Nakuru. Swiftly Njonjo and Kibaki moved to install Moi as the interim President. Whether the response was well orchestrated or spontaneous, it was soon abundantly clear that party feeling opposed a trial of strength beteween the two factions which had been preparing for confrontation at the aborted 1977 party conference. Since Njoroge Mungai was not an elected Member of Parliament, and therefore ineligible for the presidency, and Mbiyu Koinange, Kenyatta's long-time confidant and brother-in-law, was too old at 72, 'the Family' had no reputable candidate ready and available. GEMA had initially stated that all who wished to should be permitted to compete freely, but Karume quickly issued a retraction; an interview with Paul Ngei was judiciously edited; the *Standard*, for some time the mouthpiece for the 'Change-the-Constitution' group, joined the *Nation* in fulsome praise of Moi. Protestations of loyalty from all sides were solemnly made and Moi was nominated with acclamation as KANU's sole candidate for the presidency and so became Kenyatta's successor.

The 1979 elections

The apparently smooth transfer to Moi thus hid considerable internal divisions and, indeed, an abortive coup in the making. Moi had, therefore, to move carefully to establish his primacy within the country. His only Cabinet change was to demote Mbiyu Koinange from Minister of State in the President's Office to Minister of Natural Resources. Otherwise, he attempted to weaken the dominant position of 'the Family' by chipping away at the edges of its power. He attempted to revitalize the party as a counterweight to the Kenyatta-appointed provincial administration and party elections were held for the first time in 12 years in October 1978. With his nominees safely installed there, Moi began to use presidential patronage to replace some senior civil servants and other leading figures in

[3] Joseph Karimi and Philip Ochieng, *The Kenyatta Succession* (Nairobi: Transafrica, 1980).
[4] James Mungai is no relation to Njoroge Mungai. His headquarters at Nakuru made his position ideal for protecting Kenyatta or dealing with any visitors to him.

the parastatal organizations. But his chance to restructure the Cabinet had to wait upon the general election.

The election on 8 November 1979 was the third such general election since independence. In it, 742 aspiring candidates sought to win the electorate's approval in 158 constituencies and become their KANU representative in the National Assembly.[5] Several men of standing, such as the Vice-Chancellor of Nairobi University, the Permanent Secretary in the Department of Education and the Chairmen of the Kenya Commercial Bank, Agricultural Development Corporation, and Cotton Seed and Lint Marketing Board, resigned their positions, knowing that reinstatement was impermissible if they were electorally unsuccessful. Indeed, standing for election was sometimes a response to anticipated dismissal. Campaigns were vigorous, often to the point of violence, and inducements sometimes extended beyond promises of future action to the distribution of sugar or beer, especially in the weeks preceding the official campaign when some candidates' largesse was remarkable. The limitations on expenditure during the campaign, set at 40,000 shillings, under-represented, even when they were adhered to, the actual cost of the election. Inevitably, there were some cries of unfair play and petitions were instituted in the courts to reverse results. These were heard through 1980 and some people found their initial victory nullified and a by-election called. Despite the limitations on some candidatures and the excessive zeal of other candidates, the election permitted the *wananchi*, the ordinary people of Kenya, to pass judgement on their representatives and select for themselves a broker to intercede on their behalf with the central government.

As before,[6] the *wananchi* used this opportunity to remove a sizeable proportion of parliamentarians. Nearly 60 per cent of the 1974–9 House did not return and one-third of the Cabinet lost their seats, as did 15 assistant ministers. Most political groups could find some satisfaction in the results, but none was entirely happy. For Moi, some of the leaders of the 'Change-the-Constitution' movement fell foul of the electorate, but, at the same time, strong supporters of his, such as Julius Kiano in Kikuyuland and several Luo politicians, were lost. GEMA enjoyed gains and losses, too. Karume, its Secretary-General, was returned against Mbiyu Koinange, and Njoroge Mungai regained his Dagoretti seat. For the first time in many years, an Asian, Krishna Gautama, was elected and Philip Leakey, son of the famous anthropologist, won the Langata seat. Among the Luo, and not for the first time, those associated with the central government fared badly, especially if their opponents were connected with Oginga Odinga. This was true also in the by-elections

[5] Candidates must be life members of the party. Such membership is granted by local branches, so local political leaders have some potential control over rivals. This power does not seem to have been used very much outside the Western provinces, where Oginga Odinga (once Vice-President of KANU and then leader of the opposition Kenyan People's Union before it was banned) and four associates were yet again prevented from standing. The outspoken George Anyonya was the other figure of notoriety to fall foul of this check. In a few constituencies—Moi's and Kibaki's were two—only one candidate was nominated.

[6] For previous elections, see Goran Hyden and Colin Leys, 'Elections and politics in single party systems: the case of Kenya and Tanzania', *British Journal of Political Science*, April 1972, and Joel D. Barkan and John Okumu, 'Semi-competitive elections, clientelism and political recruitment in a no-party state: the Kenyan experience', in Guy Hermet, ed., *Elections Without Choice* (London: Macmillan, 1978).

which occurred because of procedural irregularities in the general election.[7] In short, the full complexity of Kenyan politics marked the elections; local political squabbles, ideological differences, personal rivalries, ethnic chauvinism, all played some part in some constituency. Despite his wide travelling, Moi was not able to impose 'his' men on to the electorate, although in some constituencies, such as Narok, he intervened significantly at the nomination stage.

Moi's response to the elections showed an awareness of the voters ambivalent message. His reconstructed Cabinet was designed to heal divisions rather than consolidate personal power; re-elected former ministers were reappointed and he followed Kenyatta's practice of distributing portfolios roughly in proportion to each region's population. The mood of reconciliation led him to appoint Odinga to the chairmanship of the Cotton Seed and Lint Marketing Board. While the pecking order among ministers has obviously changed, the regional and ideological balance remains similar. Conscious that his power rests paradoxically on his powerlessness—for Moi's Tugen origins provide him with a narrow political power base—Moi has followed his own inclinations and the path of prudence in his attempts to minimize the divisions within the country.

Economic problems

While the elections enhanced Moi's stature and also the prospects for stability, both suffered from the economic crises of 1980. The high price paid for coffee on the world markets in the middle 1970s collapsed just as the enthusiasm for luxury imports and the price of oil increased dramatically. Early in 1979, the Minister of Finance, Mwai Kibaki, had introduced stringent oversight on importers, who had to deposit up to 100 per cent of the total value of their orders with the Central Bank, and clamped down on foreign air travel. But it was the shortages of basic foodstuffs in 1980 which really brought home to Kenyans the seriousness of the economic situation. At one time or another, maize, bread, milk, butter and cheese have been unavailable and they have often been in very short supply, providing some well-connected businessmen with massive profits and placing again those without preferential access to the points of distribution at a disadvantage.

Kenya's predicament, however, cannot be entirely blamed on the vagaries of commodity prices, or the world economic recession, or the drought which affected both food production and hydro-electric supplies. Pricing policy, particularly in the case of maize, has been used to hold down the cost of living in the towns, but at a cost of reducing the incentive to produce. Maize production dropped from over 550,000 tonnes in 1976 to just over 200,000 tonnes in 1979, while wheat production remained roughly unchanged and milk production virtually halved. With population increasing at 3·9 per cent, and faster in urban areas, and people's tastes moving towards bread as a staple food, dramatic shortages of both maize meal and bread were experienced. This was exacerbated by the disappearance of the country's entire stockpile of maize, almost certainly sold profitably to neighbouring countries, and general failings, both managerial and moral, in the plethora of

[7] On current Luo politics, see 'New era dawns in Luoland', *The Weekly Review* (Nairobi), 26 September 1980.

parastatal organizations which oversee Kenya's agriculture. Politicians have only just learned the lesson, which the Tanzanians learned in 1976 and the Zimbabweans in 1980, that farmers need a price incentive to produce adequate surpluses.

The government's response has been predictable. Warnings about the hard times to come and exhortations to tighten belts are standard tactics. The budget in June increased the taxes paid on petrol, beer and cigarettes and promised restraints on public expenditure; banks were permitted to increase interest rates. The Five-Year Plan (1979–84) was officially reckoned to be too optimistic and the estimated growth for 1980 was drastically reduced to 3 per cent, appreciably below the annual population increase. The government has been borrowing heavily—on the European market as well as from the International Monetary Fund—which made the 1979 balance-of-payments figures respectable, but increased the burden of debt considerably.

These palliatives, however, cannot really deal with some of the fundamental problems. The shortages and power cuts may owe much to the elements and world markets, but they were also affected by incompetence and corruption on the part of some senior administrators and politicians. The much publicized attack on corruption which dominated the speeches of men like Moi, Kibaki and Njonjo in 1979 has not been translated into visible action. The promised enquiry into the maize shortages seems to have run into the sand. Examples of dubious practices are not hard to find. In 1978, for instance, the Wheat Board had been selling cheap and then buying back at inflated prices its own gunny bags, running up a state debt of nearly 25 million shillings while enriching the private purchasers; the national abattoir was nearly bankrupt while the private company which captured much of its business seemed to have been established with the help of public funds. Few Kenyans do not know of some instance where influential men with access to public property or funds have not made private gains.

Nor have Kenya's foreign relations helped. The closure of the border with Tanzania and the collapse of the East African Community worked very much to Kenya's disadvantage.[8] In June, the leaders of Kenya, Tanzania, Sudan and Uganda were to meet at Arusha to discuss the situation in Uganda, after the putch which removed Godfrey Binaisa from the presidency, but Moi decided at the last moment not to go. His request that both Yusufu Lule and Binaisa, victims of internal power struggles in the aftermath of the overthrow of Idi Amin, should attend was vetoed both by Tanzania and Paulo Muwanga, then the leader of the ruling military commission. President Numeiry stopped off at Nakuru on his way back to discuss the situation with President Moi, having clearly clashed angrily with President Nyerere over Tanzania's presence in Uganda and alleged favouritism towards Milton Obote. The unsolved Ugandan issue has not only postponed further the day when the border between Kenya and Tanzania will be opened (only individuals, such as Overseas Development Administration personnel based in Nairobi, get permission from Dar es Salaam to fly directly between the two countries), it has also erupted in physical form inside Kenya, where the

[8] Richard Hodder-Williams, 'Changing perspectives in East Africa', *The World Today*, May 1978.

army is actively involved along the border. Individuals still cross the border, often with firearms, and incidents are common. Kenya issued a strongly worded communiqué in September claiming that the Tanzanian People's Militia, using modern weapons, had ransacked shops inside Kenya and taken away goods from them.[9] With the continuing violence in the Ogaden and regular Somali incursions into Kenya—much of the cattle-rustling operations seems to be organized by well-armed Somali gangs—United States suggestions that Kenya should strengthen its armed forces have met with a steady response.

But rearmament is expensive. In its £300 million defence expenditure plans, Kenya has recently bought 12 British Aerospace Hawks, which can be equipped with cannon, missiles and rockets and the United States are supplying a squadron of F-5 fighters and a troop of anti-tank helicopters. While approval is being sought in Washington for $26 million to finance military sales, Kenya is buying under credit arrangements the highly successful British-made Rapier ground-to-air missile system. Already the first of 80 Vickers Mark 3 battle tanks, costing a quarter of a million pounds each, have begun to arrive.[10] With the United States being granted facilities at Mombasa, this deeper involvement in the military balance of the region has caused both economic and political problems. Antipathy to too close an involvement with the United States is not confined just to the University campus and the massive expansion of the armed forces has added considerable strain to an already pressurized economy.

New President, same system?

At the outset of his presidency, Daniel arap Moi stressed the need to check corruption and the abuse of power. He swiftly suspended public land allocation and attacked profiteers; and, in January 1979, he ordered all officials who had allocated themselves land on Kenyatta beach in Mombasa to vacate it immediately. Despite this attempt to create an image of propriety for the new administration, it has become clear that in many cases (the maize scandal is one) too vigorous a campaign would touch too many men in very high places and upset the precarious equilibrium at the élite level which Moi values and has fostered. To that extent, the dominant features of the Kenyatta years survive; with the partial demise of 'the Family', others now have access to resources and intend to exploit that access. Moi has followed his mentor in further ways. He retains an instinctive antipathy to radicals and students, whose complaints against the exclusion of Odinga from the elections and protests at substandard University food were both met with unsympathetic repression. And Moi has not felt deterred from treating backbenchers on occasions with the same presidential dismissiveness practiced by Kenyatta. In many ways, therefore, it is business as usual.

For many Kenyans, however, there is no business. Moi did raise the legal minimum wage in May for the first time since 1977, but the drift to the towns and sluggish growth in the labour economy has increased levels of unemployment. For the *wananchi*, the economic boom represented by aggregate figures of Gross

[9] *The Nation* (Nairobi), 26 September 1980.
[10] *African Business* (London), September 1980.

National Product has percolated down only a little. It is significant that registration for the 1979 elections had to be extended beyond the publicized deadline and even then only 5·5 million voters registered rather than the anticipated 6·4 million. Kenya remains a land of contrasts; a rich, sophisticated capital harbours appalling slums and considerable personal misery while in the countryside affluent businessmen-cum-farmers increasingly dominate the rural economy at the expense of their less fortunate brothers. At the moment, these contrasts have not crystallized into antagonistic movements expressing themselves in ideological confrontation at the polls or on the streets. The political system seems stable enough, but the peace it represents is a brittle one. If it is to survive for another 15 years, the *wananchi* need both tangible and symbolic evidence that their political masters can discriminate between public interest and private gain. It is not yet certain that Moi has the political strength to enforce this new public morality.

Economic sanctions: benefits and costs

MARGARET DOXEY

Economic sanctions are blunt instruments which may miss their true target and even boomerang.

THE lifting of United Nations sanctions on Rhodesia at the end of 1979 following the constitutional settlement which brought that country to independence as Zimbabwe[1] has not brought an end to interest in the subject of international sanctions. South Africa is still a possible target for harsher measures than the arms embargo which has been mandatory for UN members since 1977, and over the past year there have been attempts to obtain UN authorization for measures against Iran, following the seizure of American diplomats in Tehran, as well as resort to retaliatory measures by the United States and other countries to express disapproval of the Soviet use of force in Afghanistan. Full consideration of international sanctions raises important questions about standards of international behaviour as well as the practicality of collective coercion by a variety of means. This short article focuses specifically on the need to weigh benefits and costs before embarking on programmes of international economic sanctions. It draws on experience gained from the study of League of Nations sanctions against Italy in the mid-1930s and on more recent cases, particularly UN sanctions against Rhodesia in the wake of UDI and OAS sanctions on Cuba which were in place from 1964 to 1975. Lessons can also be learned from other coercive exercises even if they do not qualify for the appellation of 'sanctions'; and it is worth considering briefly when the term can be correctly used, as this has some significant implications for the maximization of benefit.

One would fight a losing battle in attempting to restrict the term to penalties for illegal acts, imposed by a legally constituted authority, and perhaps it is a battle which should be lost, particularly at the international level. There is no accepted, functioning system of law and order between states; wide ideological and economic chasms yawn between them, and self-help is prevalent. Inevitably, there is recourse to multilateral—and unilateral—coercion and retaliation usually without any authorization by an international body. Consensus on norms, or standards, can be found only at a generalized level and tends to dissolve rapidly into disagreement over detailed interpretation, particularly over claims that standards have been violated. 'Aggression' can be presented as 'self-defence', intervention justified as assistance to a friendly government.

[1] For background, see Martyn Gregory, 'Rhodesia: from Lusaka to Lancaster House', *The World Today*, January 1980 and 'The 1980 Rhodesian elections—a first-hand account and analysis', *ibid.*, May 1980.

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But in speaking or writing about negative sanctions, there should surely be a connexion between the sanctions and acts which are judged improper or deviant in terms of some accepted standard. If sanctions are not authorized by an international body, they lack the additional status—legitimation—which such authorization confers, and they can be more readily challenged by the target and its supporters as being themselves 'illegal'. Regional sanctions are particularly vulnerable to such a charge. Of course, the line between authorized and unauthorized sanctions can become very thin. The Soviet veto in the Security Council of sanctions against Iran made the response of the United States and its allies technically *un*authorized, but in this case the prior violation of international law was hardly in doubt and was confirmed by the International Court of Justice. But now that sanctions are in the news so much, there is a tendency in the media and elsewhere to describe virtually any act of foreign policy which has intentional unpleasant consequences for its target as a sanction, and this seems regrettable. Arab oil embargoes against Western countries in 1973–4 were not sanctions and should not be so described; nor are the measures taken by the United States and some of its allies in the wake of Soviet intervention in Afghanistan. Unilateral responses, particularly, are often more appropriately described as retaliatory measures of self-help.

In attempting to retain some authoritative content for the term 'sanction', which would strengthen the moral force of such a measure, one does, of course, run into some difficulties. Acts which merit collective censure, and perhaps punishment (sanctioning), do not necessarily attract them. And further problems arise over the willingness or unwillingness of those who find the policies of others offensive, or unacceptable, to take action to back up their censure. This is true whether one is thinking of South Africa's apartheid system or the abuse of human rights in Uganda, Chile, Kampuchea or elsewhere.

Benefits

Turning specifically to the question of benefits—or payoffs—from sanctions, one can perhaps identify three kinds of achievement: Firstly, and presumably at best, the sanctions would succeed in bringing to an end the offending policy of the target. They would put things right—back to where they were, or forward to where they ought to be. For instance, Italy would have given up its invasion of Ethiopia; the government of Ian Smith would have renounced UDI and introduced genuine majority rule; the American diplomats would have been freed in Iran. Leaving on one side the vexed question as to whether in every case those imposing the sanctions all wanted exactly the same outcome, one could say that any of these outcomes would have meant that sanctions had succeeded, particularly if the results had come speedily—perhaps in a matter of weeks. One could also say, on the basis of experience, that such success is unlikely. Secondly, and more probably, sanctions will make continuation of the offending policy more costly for the target. They will hurt, and become a kind of international fine which has to be paid for misbehaviour; they may perhaps limit or constrain further adventures. The cost to the target, discussed further below, is reckoned as a gain to the sanctioning states.

Such objectives have been explicitly stated in such cases as Cuba and Iran. Thirdly, there can be benefits not directly linked to impact. On the one hand, the sanctions demonstrate publicly official disapproval of what is going on; on the other hand, they make co-operation and collaboration with the target rather more difficult owing to its identification as a miscreant.

The following are demonstrative, symbolic functions, relevant to a number of audiences:

(i) The government of the target gets the message, and so do its citizens to the extent that they are aware of the penalties and the reasons for them. Even if the offending policy is not abandoned, further acts of the same kind may be deterred.

(ii) Allies who expect or demand some action going beyond verbal censure are reassured about support and solidarity; friendly overtures to the target become less likely; continuing links become subject to question.

(iii) Groups in the sanctioning states who wanted action are pleased; others may not be enthusiastic, or even interested, but there may be general approval for positive leadership, for an indication that something is being done to meet provocative behaviour by other states. The sanctions provide a fortifying diet for the media and for public opinion, and may be helpful for politicians. In a presidential election year in the United States, for instance, the symbolic effect of sanctions may not be unimportant.

(iv) To the world at large, sanctions can demonstrate that a principle is being upheld, perhaps at some cost to the upholders. This is more convincing if the principle is clearly defined and consistently upheld, irrespective of the offender and the location of his misbehaviour, and if the principle is not violated by the sanctioning powers themselves in other contexts. As noted earlier, authorized measures have additional status and additional moral force.

Costs

Turning now to the other side of the balance-sheet, costs are obviously inescapable, and indeed intentional to a degree. But they are sustained by those imposing them, and by third states, as well as by the target.

As far as target-associated costs are concerned, some impact and hardship are to be expected. Economic sanctions can reduce or eliminate trade in particular commodities, or across the board; they can limit or block capital flows, tourism, communications, aid, the transfer of technology—all of which can have unwelcome, cumulative and possible serious effects for the economy of the target and the lives of some or all of its people.

But experience has shown how readily economic sanctions can be evaded and their effects minimized or circumvented. The reasons are well known. Those imposing them may not—or perhaps cannot—implement them fully, while others remain outside the group. In the Rhodesian case, for instance, Switzerland as a neutral state maintained 'normal' trade, Botswana and Malawi were too weak and

vulnerable to risk full involvement, while South Africa—and Portugal until 1974—were sympathetic to and supportive of the illegal Smith regime.

Moreover, the target itself will take defensive measures: by doing without; by developing alternatives; by fighting back with countermeasures. It can improve self-sufficiency; stockpile scarce commodities; encourage diversification of production; encourage smuggling and the re-routing of trade through middlemen, cloaking all transactions in secrecy. Its government can also mobilize patriotism internally and develop new friends and linkages externally. Italy, Cuba and Rhodesia all provided examples of these strategies. In particular, there is now plenty of information on the Rhodesian case to show how UN sanctions were shot full of holes. One only has to read the Bingham Report[2] to realize the futility of the oil sanction—and of the British blockade of Beira. And the UN Sanctions Committee Reports year after year showed clearly the tips of very large icebergs: allegations of sanctions evasion were hard to prove and there was belated and less than enthusiastic follow-up by governments whose bureaucrats doubtless had more important things to do. The US violation of the chrome boycott under the Byrd amendment from 1971 to 1977 was public knowledge.

Without a physical blockade, or perhaps *full* participation in sanctions by those who *fully* control a strategic resource, it seems that trade boycotts and embargoes do not work to change policy. Indeed, there is the danger that they may harden the attitude of the target, not soften it. This may be true in Iran; it seems also to have been true of Italy, Cuba, and white attitudes in Rhodesia. And the shifts in emphasis, or 'tilts' away from Israel towards the Arabs discernible in some countries after the 1973–4 oil embargoes, which might support arguments that economic coercion works, did not involve basic changes in national policy, such as would be entailed by giving up apartheid.

A second set of costs is borne by the sanctioning states themselves. Economic relationships are two-way, and the sanctioning group will suffer corresponding losses. Export markets may be forfeited; vital imports and interest on investments cut off. Established and mutually beneficial links can be permanently severed; countermeasures imposed which bring additional hardship. Governments are well aware of some of these costs: one can cite Western reluctance to sever profitable connexions with South Africa; concern in West Germany for the continuation of natural gas imports from the Soviet Union; farmers' demands for government help in the United States to make up for lost grain sales to the Soviet Union.

The third set of costs comes with the spillover effects of economic sanctions to third countries, which have geographical or other important links with the target. Zambia and Mozambique were prime examples in the Rhodesian case and both were ill-equipped to bear additional economic burdens.[3] It may be incumbent on more prosperous countries to help—which means further costs for them, directly

[2] T. H. Bingham and S. M. Gray, *Report on the Supply of Petroleum . . . to Rhodesia* (London: Foreign and Commonwealth Office, 1978). The best detailed account of Rhodesian Sanctions is Harry R. Strack, *Sanctions: the Case of Rhodesia* (Syracuse, N.Y.: Syracuse University Press, 1978).

[3] Cf. *The Front Line States: the Burden of the Liberation Struggle* (London: Commonwealth Secretariat, 1978 ?).

or through contributions to international agencies—and the help does not necessarily fully offset the sacrifice/cost to the third states.

Finally, there can be generally harmful 'chain' or diffused effects on the whole international economic system, especially if the target is in some way an important component of it: as buyer, supplier or investor. There will be disruption of trade and investment; blocking of channels of exchange; emphasis on self-sufficiency; loss of certainty; loss of confidence. The last is particularly undesirable in the rather fragile condition of the international economy which became apparent in the 1970s. It has been alleged that the US action in freezing Iranian assets in American banks undermined the confidence of other depositors in Western central banks and financial institutions.

Prediction of the intensity of any or all of these costs may be difficult, but it is unrealistic not to take account of them—even if the cause still appears to justify their being incurred.

General remarks

In conclusion, it may be useful to make one or two general comments and also raise a few mildly controversial questions. Sanctions must be judged as regards probability and efficacy on a case-by-case basis. There is no general pattern of enforcement—nor is there likely to be. But one can generalize and say that the larger the group supporting sanctions and the clearer the consensus on the violation of a norm, the more effective the sanctions will be in symbolic and probably in practical terms. However, the higher the level of anticipated cost to the sanctioning group, the less likely it is that sanctions will be imposed. If they *are* imposed—because the benefits appear to outweigh the costs—it is unlikely that they will be vigorously implemented.

Where sanctions are imposed reluctantly (and belatedly) even if condemnation was widespread, there may be some loss of credibility in their status. If they are 'phased in', as in the Italian and Rhodesian cases, they can have an 'inoculation' effect. If there is no authorization by an international body, and if pressure has been exercised by one state to bring others into line with its sanctions policy, the symbolic effect is certainly diluted. This is true of any effort at censure. The partial boycott of the Moscow Olympics is an obvious case in point. It is probably also counter-productive and certainly gives propaganda advantages to the target.

One may conclude that economic sanctions should not be seen as a useful, peaceful weapon of pressure which can be readily employed at low cost. Economic impoverishment of any state is undesirable unless there are very compelling reasons for it; the world is already beset with economic difficulties. Development, not retardation, is a prime goal and long-term harmful economic effects cannot be readily expunged when sanctions end.[4] Economic sanctions are not susceptible to 'fine tuning': they are blunt instruments which may miss their true target and can also have a boomerang effect.

Given the counter-productive aspects of economic sanctions outlined above, th

[4] See D. G. Clarke, 'Zimbabwe's economic position and aspects of sanctions removal *Journal of Commonwealth and Comparative Politics*, Vol. 18, 1 March 1980, pp. 28–54.

question arises whether such measures should be avoided by international bodies. Obviously, economic pressure will continue to be used by individual states and by groups of states for coercive purposes but what about the United Nations, the Commonwealth, the Organization of American States? Should such bodies restrict hemselves to condemnation and to other kinds of sanction? For example, the exclusion of offenders from membership or participation in their work; the severance of cultural links; sports boycotts? Such measures are generally easier to mpose than economic sanctions, have high visibility and deny states the benefits of participation in significant aspects of international life. The linkage between offence and penalty may also be clearer to citizens of the target (although official censorship can blur or distort this message). The question is perhaps whether nternational *economic* sanctions carry enough *political* impact to justify their mposition—a political impact which more than offsets their economically damaging effects which experience has shown cannot be confined to the target and seem unlikely to correct an unwelcome situation? If they fail, is there also a further cost? Is that failure itself conducive to further disrespect for the rights of states and a gradual undermining of the sadly limited role of obligation in the world today? Is a pattern of censure for comparable acts the first objective?

These are not questions which can be easily answered, but they are questions which need detailed and careful consideration before policy decisions are made.

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